

DISTRIBUTION AND WAREHOUSING



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Storage and Distribution of Canned Foods

Announcing a Series of
Articles by Don F. Harner

FOR the warehouse executive who may be asking himself: "Am I securing my share of canned goods for storage and distribution?" *Distribution and Warehousing* this month begins publication of a series of five articles by Don F. Harner, sales promotion manager for Stewart Curtis Packers, Inc., Long Beach, Cal. In these texts, the first of which starts on page 10, Mr. Harner will present information which will answer these seven questions:

1. Where is the world's largest canned goods production district?
 2. What is the actual annual production of canned goods in the Pacific Coast territory, and is it decreasing or increasing?
 3. Are the changing merchandise-distribution conditions in the canned goods field beneficial to the warehouseman?
 4. How are canned goods distributed in the movement from producer to consumer?
 5. What are "standard" cans and cases?
 6. Where do canned goods enter the warehousing field?
 7. Where can the warehouseman obtain an authentic list of canned goods packers?
- "The past five years," Mr. Harner comments, "has witnessed a series of rapid changes in the

canned goods sale-distribution field. An upset has occurred. It is essential for the warehouseman to keep informed as to principal developments and changes in any merchandise field if he is to benefit by advantageous conditions brought about by such changes."

These articles are being written by a man on the ground—one of the "key men" of a large canning industry, first as traffic manager and then as sales promotion manager in charge of traffic. Chairman of the traffic committee of the Southern California Canners Association, Los Angeles, Mr. Harner is Pacific Coast business staff representative of *Distribution and Warehousing*.

In these texts will be presented facts in particular reference to the relation of the new and changed conditions in that business, and they discuss both sales distribution and physical distribution in association with transportation and warehousing.

The first article, published this month, deals with economic factors governing the canned goods and grocery trade of America. There has been an evolution in marketing conditions and many grocery jobbers are going out of business because there is little need for them in the new line-up. The second article will cover southern California and the third northern California production of fish, fruits and vegetables. The fourth will deal with Pacific Northwest and Alaska salmon and the fifth with Hawaiian pineapple.

Pacific Coast Canned Goods Production-Distribution

By Don F. Harner,
Sales Promotion Manager
Stewart Curtis Packers, Inc.

THE production of canned goods in the Pacific Coast territory is divided geographically into five natural divisions—namely: (1) Southern California; (2) northern and central California; (3) Pacific Northwest (Oregon and Washington); (4) Alaska; (5) Hawaiian Islands.

Each of these production areas reveals an interesting chapter all its own—a quantity and quality of certain rare canned foods not duplicated in other sections of the United States. Southern California with its production of tuna fish and ripe olives; central and northern California with its fruits and olives; the Pacific Northwest with its fruits, berries and salmon; Alaska with its salmon; and the Hawaiian Islands with their pineapple—what a major role these varied commodities play on the world's Dinner Table of today!

Canned goods are an accepted part of our economic life today, produced and consumed in ever-increasing quantities. We do not stop to consider the essential position occupied by canned foods now, in the year 1931, as compared with a few decades ago—in that past period when the housewife in season "put up" the supply of canned food for the coming winter.

Quantity production has changed all this, for we now can purchase, can by can at the local grocery store, more cheaply than it is possible to produce by home-canned methods. Progress in the canning industry, year

by year, has created high standards which are not physically possible to achieve in home canning.

As an example of modern canning methods, in canning spinach the crop is cut in the field early in the morning, transported quickly to a nearby canning plant, thoroughly cleaned, sorted, washed and re-washed by water under pressure, and then put through a blanching or steaming process and placed in cans within an hour or two after cut in the field. Then, after the cans are sealed by machinery, comes the cooking for at least sixty minutes at 240 deg. Fahr., thus retaining all the food value, vitamins and health properties because cooked after the can is sealed.

In California this sterilization cooking is under State supervision—the State Board of Health—each canner paying his *pro rata* share of cost of maintenance of the State Board. Recording thermometers are used on each steam retort. A system of coding each can is followed whereby it is possible to trace each can back to the day and date of the pack, to check against the thermometer record, as well as back to the field which produced the crop. This State supervision is considered as "canning insurance," protecting both the canner against unfair competitive canning methods, and the consumer so that the contents will be properly preserved and appetizing—as near to the original product as can be perfected by science.

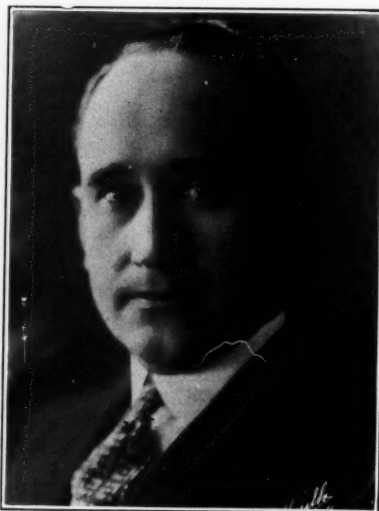
LET us reflect for a moment. How long would a metropolitan district, such as our great city of New York and environs, be able to exist without the adjunct of canned foods? With inventories lowest in history in retailer and wholesaler hands, the supply would soon be exhausted, in such an emergency, should either fresh or canned foods be shut off for a period of thirty days, for instance. We would soon recognize the value of canned foods, and incidentally the service performed by public warehouses in holding in readiness the needed stocks to replenish any shortage here or there, avoiding delays in waiting for canned goods from distant packing plants three to five thousand miles away.

Summing up the position occupied by canned foods in the minds of the American public today, we illustrate by quoting Milo Hastings, in *Physical Culture* for January, 1931, under an article entitled "Canned Foods; Science Battles Age-Old Prejudice Against Preserved Products":

"Grandmother may protest, as grandmothers always have protested, against the new ways of life in the kitchen and out of it.

"But progress must have its way, and, as Mark Twain sagely remarked, 'The path of civilization in strewn with tin

The Author



Don F. Harner

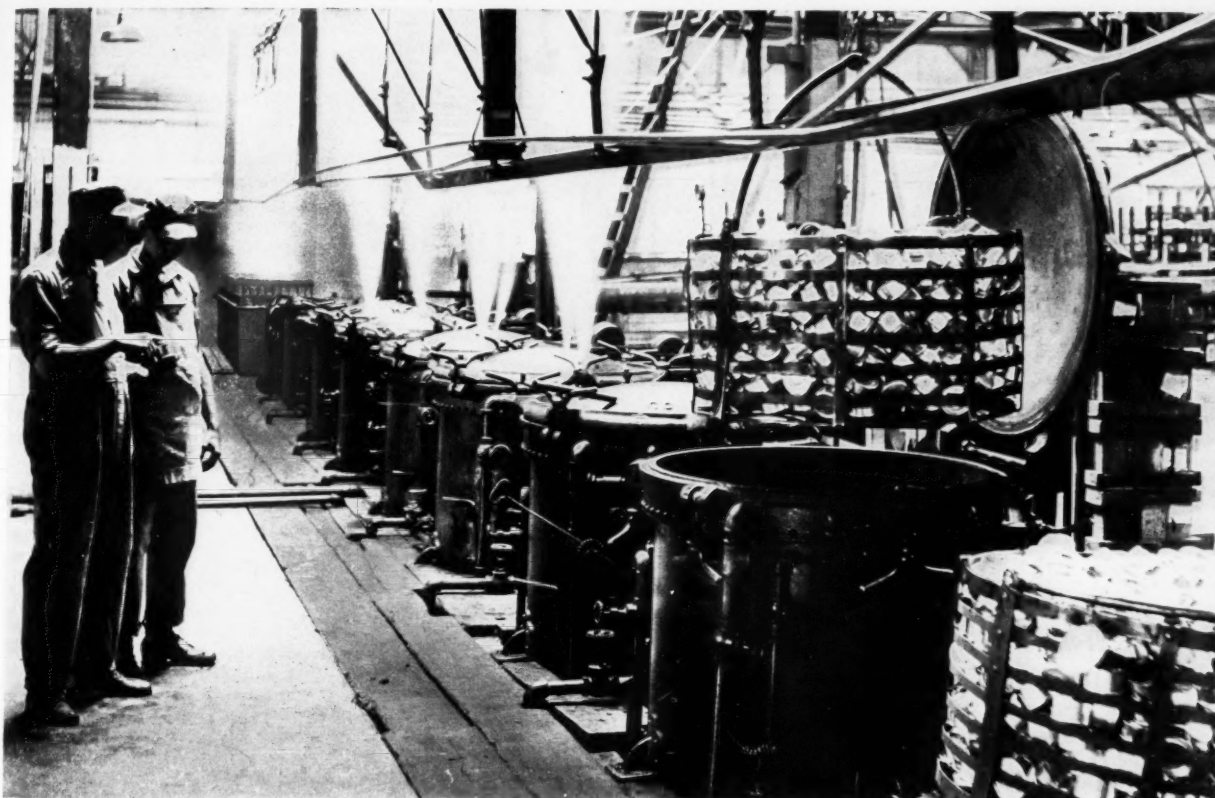
cans.' Critics call this the age of canned foods and canned music, but the modern city apartment has room for neither an old-fashioned square piano nor an apple

barrel, nor has the modern woman sufficient room in that fourth dimension called time to pare the apples. She has many competing demands upon both her space and her time.

"If the economy of kitchen labor time saved by use of canned foods enables the mother to get out into the sunshine with her children, that radiant source of vitality might easily restock the family supply of vitamins. But since modern science finds that the vitamins are also canned, the critics of modern life must seek for other new things to condemn."

Financing

THE canned foods industry, like certain other great industries, had a very humble beginning. The year 1870 records the first pack of canned fruits in California—a total of 132,600 cases. These were not produced by great corporations, such as we have today, but by smaller organizations, struggling for existence, largely financed by individual fortunes of those who had faith in the future of the industry. The West had had its share of promotional schemes, too, confusing the banker with legitimate industry, until the lesson was learned. Consequently, there was no such thing as a "line of credit" to carry through the peak season, for the can-



Steam retorts and recording thermometers for sterilization cook after cans have been sealed. Most canned fish, fruits and vegetables are thus cooked at 240 degrees for 60 minutes, under California State Board of Health regulations, to insure 100 per cent safety and uniformity of canned foods from that State

ning business is of a highly seasonal nature, and had to look to other means to finance each pack.

As usual, Mother Necessity invented a way; result—sight draft terms as used for years by the Pacific Coast canning business.

Later developments and improvements came with the standardized negotiable warehouse receipts, against which banks made collateral loans up to a certain specified percentage of the merchantable value of the canned goods in question.

The pooled car became an important factor in shipping, using in connection the sight draft and order notify bill of lading method; then, later, the warehouse order attached to a sight draft. These sight drafts were deposited in a local bank on Pacific Coast, for forwarding to destination for collection, and bank charging a certain reserve to cover any rejection. No losses to banks have been known by this method. The pool car naturally involves a distribution warehousing problem at some eastern point, to reship goods to various ultimate destinations and handle many details on the ground.

Then followed the carrying of spot stocks at warehouses over the East, in recent years, to make quick deliveries (which will be covered later under changing methods of distribution).

Now comes an announcement from one

progressive packer, in the year 1931, that he has done away with his own warehouse entirely but stores all his products in public warehouses near to usual points of consumption; that he can borrow money more cheaply in the East than in the West, upon the reliable negotiable warehouse receipts of the big warehouses specializing in such business.

Today we have a number of large packing corporations which, of tremendous size, are largely the result of merger, or a series of mergers of many smaller canning companies which saw greater financial benefits from such action. These large corporations are able to borrow money at lower rates in the East and to list their capital stock on the Exchange, taking their place as a permanent part of our industrial structure as one of the most valuable basic industries, supplying a large part of the daily food of the American people.

Evolution

THE past five years has witnessed a complete change—an upset in both “sales-distribution” and “physical-distribution,” having its effect on everyone in the chain of distribution, from producer, broker, jobber, warehouseman, on down to retailer and consumer.

One hears on every side the excessive cost of “sales-distribution,” due to duplication of effort, and the long list of

hands through which canned goods must pass before they reach the ultimate consumer. We have had the familiar hand-to-mouth buying ogre with us for more than five years, until inventories of canned foods in retailers’ and wholesalers’ hands are lower than at any previous time in our business history.

The condition faced today in sales-distribution is sometimes referred to as a “survival of the fittest”; we are told “that an alarming percentage of today’s business is topsy turvy.”

Only a short period of five years back, the packers had the grocery jobber trained, by many years of education, that, because of the seasonal nature of the canned foods business, the jobber must place future orders with the packer and take delivery of his anticipated needs for a full year at time goods were packed. The jobber, in turn, had the retail trade trained the same way—that if they did not buy “when packed,” they quite likely would run short before next year’s pack, or otherwise pay much higher prices on spot orders. All of us can remember the retail grocery store with a warehouse out back of the store larger than the store itself; well, that is a thing of the past now.

The past twenty years has witnessed the phenomenal growth of the chain store grocery business until today a larger portion of the retail grocery busi-

ness of the United States is transacted by chain groceries of one kind or another. To offset the large corporate chains, independent retail grocers organized into "voluntary chains" in almost every city of any size, purchasing through a central office and securing jobbing discounts.

The greatest economic function served by the various chain stores up to date seems to lie in the fact that they are able to break down traditions and pass on to consumers any reductions in prices from the manufacturer. This was one of the manufacturer's complaints against the "broker-jobber-retailer" system—that in spite of any freight rate reductions passed on by manufacturer, or any reductions in prices by the manufacturer, these seldom reached the consumer except in isolated instances. The system was so cumbersome that such benefits were absorbed by those along the line in the "broker-jobber-retailer" system.

But with the simplified selling direct from manufacturer to retailer, and keen competition in retail selling, it is reasonably certain that the ultimate consumer will actually receive the full benefit of manufacturers' price reductions, freight rate reductions, etc., that may be passed on from point of production to the retailer.

With the advent of the big retail chain stores, came scientific ideas of "turn-over"—buying direct from the packer at jobbing prices, but buying only in small quantities per store so as to secure greater number of turnover per annum.

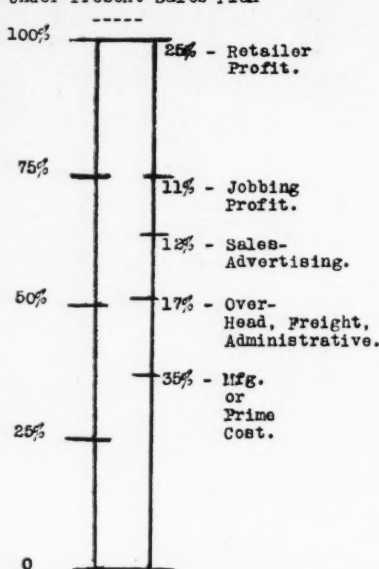
The idea became contagious; independent retailers refused to buy except for immediate need, and the grocery jobber in turn tried to reduce his stocks, thus forcing the burden of carrying the financial load back upon the packer. At the same time competition forced the packer to make quicker deliveries than by pool car, if he was to secure his share of business. This latter phase has affected physical-distribution during the past several years to the extent of forcing many packers to carry large stocks of many sizes and kinds of canned goods at strategic points over the United States.

Then started the line of action on the part of the packer, which is reacting unfavorably to jobber and broker, but is establishing direct connections between packer and retailer. Each of us has heard the cry "eliminate the middleman," until we have taken it is a matter of fact, until now it is a reality—and a grim one for many of the middlemen.

The packer's line of reasoning is that the broker functions only when the packer's salaried salesmen are sent into the broker's territory, and orders cease when the salesmen leave; so, why bother with the broker?

Then, following on to the grocery jobber, we find the jobber still willing to handle orders taken by packer's salesmen, as a rule, but not willing to perform the chief function originally filled by the jobber—that of carrying a reasonable stock of canned goods with which

Break-Down of the Dollar Spent for Canned Foods Under Present Sales Plan



Notes: All expenses above prime manufacturing cost is considered as "distribution" expense. The 1920 to 1930 period witnessed a reversal of the 1920 prime cost of 65 per cent and overhead 35 per cent.

to fill orders, and really to push packer's line of canned goods.

So the manufacturer and packer is turning directly to the retailer, often giving him benefit of jobbing prices on quantity purchases. The jobber, if he is to exist, has tied himself in as buying office for some voluntary chain of independent retailers or association of retailers, and takes a very meager profit on which to exist. Other jobbers have organized their own chains.

Now we come to the climax of today's problems—the definite decision of the manufacturer and packer to sell direct to the retailer.

To quote a forcible example, W. M. McCormick, writing for *Sales Management* (Jan. 24) on "The Retailer-King-Pin in Our Distribution Plan," says:

"While I do not underestimate the importance of the wholesaler and the value of his distributive function, I am convinced by forty years of experience that any merchandising plan that does not begin and end with the retailer cannot result in permanent improvement."

Thus came about a new situation in the physical-distribution work at public warehouses. The manufacturer carries stocks which he never carried before, and is making many small shipments and deliveries to retailers, where he formerly shipped solid carloads direct, or in pool cars direct, to grocery jobbers.

One warehouseman recently remarked to the writer that he was handling more than double the number of delivery orders he did at this same time last year,

but that his total revenue in dollars and cents remained stationary.

Thus, where additional revenue is not charged by warehousemen, their clerical expense at their order desks has increased, and they are helping bear the burden in the great economic change which is taking place.

The warehousemen are benefiting more recently with greater revenue from increased storage stocks of canned goods stored at point of consumption, in order to make quick delivery in a highly competitive field, rather than storage at factory as in years past.

A new development in sales-distribution is the "wagon-jobber," either individually owned by the driver of a truck, or by a grocery jobber who maintains these service trucks. The trucks carry grocery items of highest profit, in case lots, and go from store to store and make both sale and delivery on the spot, sometimes selling for cash, completing the transaction.

One of the largest fruit packers is experimenting with its own trucks at this time, to carry fastest moving items, and make a round of dealers regularly.

Another source reports trucks displaying canned goods line, "walking grocery stores," to sell direct to the consumer.

So it can plainly be seen that there has been a great change in the past few years over the old packer-broker-jobber method of sales distribution. A complete upset in sales distribution methods is evident.

From Wood to Fibre

RECENT years have witnessed a complete change in the kind of shipping cases used by canned goods packers.

Whereas seven years ago wood cases were used practically 100 per cent, along came the much lighter and cheaper fiber cases, practically entirely replacing wood cases, even for export. Shipments made from Pacific Coast to European ports in fiber cases do not require either wire tying or steel strapping, as are required of both wood and fibre cases to certain other foreign ports. One such shipper reports a net savings of fiber cases over wood of from 3¼ to 7½ cents a case on such European shipments.

In the shipping of wood cases of 6-10 cans of canned goods weighing 53 pounds to the case, it is found the weight is only 48 pounds in fiber case, or a saving of 5 pounds to the case in freight, in addition to a slightly lower cost of fiber under cost of wood cases. Thus, at the canned goods commodity rate to points east of the Rocky Mountains, 60,000 pounds minimum car at \$1.05 per hundredweight, a savings of \$59.33 freight is effected. The steamer car rate is 36,000 pounds minimum car at 45 cents freight rate, plus drayage to docks, wharfage and marine insurance, totaling right at 55 cents a hundredweight, making a net savings of \$31.08 per car, by water, in favor of the fiber cases. So the complete change from wood cases to fiber cases is a physical-distribution factor, evolving in a comparatively short period of time.



Canned goods being handled at the American-Hawaiian steamship docks, Los Angeles harbor, for shipments to Atlantic Coast points by way of the Panama Canal. Care must be used with the slings so that the ropes do not cut through or bind the cartons

Standard Sizes

AN investigation conducted by the United States Department of Commerce has developed the fact that there are now in common use 64 sizes of cans, and the Department has recommended the adoption of 27 sizes only. It is claimed that these 27 sizes of cans will amply serve every possible need.

The most common size tins are the No. 12 (full gallon); the No. 10, sometimes called "gallon," but not properly so named; the No. 2½ (quart); the No. 2; then the No. 1 (pint size); the ½ size (7 oz.); and ¼ size (4 oz.).

What are sometimes referred to as "standard cases" usually refer to sizes of tins listed in the foregoing; these are packed as follows:

Doz. to Case	Size Tin, No.	Weight to Case (Fibre), Lb.	Commodity
2	2½	55	Olives
2	2½	57	Pineapple and other fruit
2	2	39	Fruit
2	2	40	Pork and beans
4	1	64	Fruits, choice
½	10	50	Fruits
4	¾s	17	Tuna
4	½s	29	Tuna
4	1s	53	Tuna
4	1-Tall	65	Salmon

Methods

METHODS of shipment vary with different packing corporations. One of the largest packers is known to ship

solid cars of a number of kind of canned goods, on direct sale basis to individual buyers. But such solid car buyers are scarce today, with "hand-to-mouth" buying in effect, and many shipments are pooled, by the same packer, at one of his plants, and consigned either to his broker, to the largest customer having goods in car, or to a public warehouse for distribution.

Another one of the largest packers has his own wholesale branches over the United States, and ships for stock to each branch.

A number of the smaller exclusive fruit packers have their own car customers to whom they ship from year to year, in solid carloads; though there is much competition for such carload sales.

The pooled car has always been used to good advantage; but, due to time required to collect enough orders to make up the pooled car, plus time in transit, this system has received a setback.

The latest development consists of carrying stocks at various points over the United States, to meet competition and make quick delivery. Due to the great difference in freight rates all-rail

(\$1.05 a hundredweight) compared with water rates (45 cents a hundredweight), much tonnage is moving by water to Atlantic seaboard, then inland, that formerly moved all-rail. Thus, by carrying stocks at Atlantic seaboard ports, certain shippers are able to L.C.L. back to Indiana, Michigan, Kentucky and Tennessee points cheaper than they can ship via rail to the usual distribution centers in the Mississippi and Ohio River valley States.

(Article No. 2 of this series will include an itemized list of cases packed in California, during year 1930, together with list of the most important packers and their addresses.)

Correction

The Indianapolis Terminal Warehouse Corporation, recently incorporated in Indiana, is a real estate holding corporation and all the common stock belongs to the National Terminals Corporation, of which William J. Hogan, Indianapolis, is president.

This information, on the authority of Mr. Hogan, is here set down in view of the erroneous statement published on page 72 of the March *Distribution and Warehousing* to the effect that the new corporation was not identified with the Hogan interests.

When you ship goods to a fellow warehouseman—use the annual *Warehouse Directory*.

HOW'S BUSINESS?

GOING TO BE THIS MONTH •

CHARTED BY UNITED BUSINESS PUBLISHERS, Inc.

THIRTY-FOUR ECONOMIC EXPERTS—EDITORS OF BUSINESS PAPERS PUBLISHED BY THE United Business Publishers, Inc.—HERE PRESENT A COMBINED OPINION ABOUT THE COURSE OF BUSINESS DURING THE MONTH OF APRIL. GOVERNMENT AND OTHER RECORDS PROVIDE YOU WITH HISTORY OF RECENT MONTHS. THIS BOARD OF EXPERTS DEALS ONLY WITH THE FUTURE. ITS OPINIONS ARE BASED ON CLOSE CONTACT WITH THE MORE THAN 400,000 SUBSCRIBERS REACHED BY THEIR PUBLICATIONS IN FAR-FLUNG FIELDS OF RETAILING AND INDUSTRY.

WE are to a considerable extent dependent on the good graces of Nature in April. Normal spring weather will do much to accent and increase seasonable business.

In some larger merchandising lines distress merchandise has been disposed of and, with freedom from dumping, store executives feel confident that retailing will go along steadily with good prospects that unit sales will be slightly higher in money value.

Steel, while volume is considerably below normal, has an encouraging outlook; and if the optimism in the automotive field materializes, the second quarter in this latter field will show improvement,

with contributory benefit to steel and other lines.

Nothing spectacular in any line of business is in prospect; and with the closing of Congress, politics passed from the acute to the chronic state, with less probable adverse influence on general business.

Increases in employment, though not so strongly emphasized in the press at present as those reported soon after the first of the year, are steadily being made. Confidence, based more securely on many small occurrences, rather than hopes pinned on some anticipated happening, seems to be mending, and April should see us moving gradually upward.

THE COURSE OF BUSINESS FORECAST FOR APRIL

BUSINESS	SALES	RETAIL STOCKS	COLLECTIONS	COMMENTS
AUTOMOTIVE	Passenger cars 24% better in April than in March; trucks 14% better. Passenger cars 24% less, trucks 15% less than April, 1930.	Passenger cars slightly higher, trucks about same in April as in March. Both lower than April, 1930.	About the same in April as in March on both lines. Both slower than April, 1930.	Passenger car sales for April estimated at 280,000; trucks 40,000.
DEPARTMENT STORES	About same in April as in March and 5% lower than April, 1930.	Stocks 5% lower in April than in March, and 7% under April, 1930.	No change from March, but slight improvement over April, 1930.	With distress merchandise now cleaned up, unit sale should increase slightly in money value.
HARDWARE	April sales 5% ahead of March, but slightly behind April, 1930.	Increase of 10% over March, but 10% lower than April, 1930.	Will show some improvement over March, but slower than April, 1930.	Trade sentiment shows improvement and future being viewed with more optimism.
INSURANCE	Better in all lines in April, with life lower and casualty about same as April, 1930.	.....	Slight improvement in all lines over March, and also over April, 1930.	Life writings should improve, and automobile lines will be the big casualty producing unit.
JEWELRY	Will be generally better in April than in March, and same or better than April, 1930.	Same or slightly better in April than in March, but lower than April, 1930.	About same as March, and same or slightly slower than April, 1930.	Conditions in this industry are at last showing definite, if slight, improvement.
METALS METAL PRODUCTS MACHINERY	Outlook favorable for small, steady gains in pig iron and steel production in April.	.....	.....	Although pointing upward, steel and pig iron production volume considerably below normal for this period of the year.
PLUMBING AND HEATING	Slight improvement anticipated in April.	Retail stocks will continue low, and buying will be for immediate needs only.	Collections continue good.	High grade residential work showing improvement, with general building still depressed.
SHOES	Return to normal and regular selling, equal to or possibly better than April, 1930.	Increase of stock on shelves over March, and it will be a more salable stock than in April, 1930.	Improvement over March, but below April, 1930.	If every other month of the year held as much promise, there would be nothing wrong (at retail) in shoes.

Truck-Rail Containers Favored by Reimers

Coordination Urged by
N. F. W. A. Spokesman

By GEORGE H. MANNING

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

DEVELOPMENT of container facilities for handling freight, and coordination of railroads and motor trucks in the handling of these containers, is one way to improve transportation service while reducing the haul charges. This constructive proposal was placed before the Interstate Commerce Commission by Henry Reimers, Chicago, executive secretary of the National Furniture Warehousemen's Association and general manager of the Allied Van Lines, Inc., when he appeared as a witness in the hearings on conditions now obtaining in the transportation field as a result of the development of motor vehicle operation.

Inasmuch as he has had experience in the coordination of motor truck and rail haulage, Mr. Reimer's testimony aroused considerable interest and discussion. The Allied Van Lines, he testified, handled annually 15,000 van loads of household goods, office furniture, etc., in inter-city motor transportation—the equivalent of about 5000 car loads. Most of this tonnage moved in the central and eastern States.

"The commodity, household goods, office furniture, etc., which we serve, because of the cost of packing and preparing for shipment and incidental delay," Mr. Reimers testified, "lends itself to longer hauls by motor truck than most other commodities. We believe, how-

ever, that we have in some instances extended our service to distances which are economically unsound. This has not been due so much to any desire on our part but rather to ignorance on the part of competition and inability of railroads to cope with the situation.

"Prior to the advent of the motor truck, household goods were shipped by the warehousemen of the country principally by rail, but the change in conditions obligated warehousemen to revise their mode of operation, so they entered into motor truck transportation.

"To say the least, motor truck competition is in a chaotic state and legitimate motor truck operators are suffering, as well as railroads. A great deal of the competitive difficulties are due to ignorance of the fundamentals of business—that is, that business is expected to strive to provide a return on capital invested. Many motor truck operators give little consideration to profits, operating costs, reserves, adequate compensation and permanent labor employment at American standards of wages. A careful survey indicates many receiverships resulting principally from failure to recognize such fundamentals, which should be interpreted in the rates and need for service.

"A perusal of the balance sheets of many motor truck inter-city operators will indicate that no return is forthcoming on the capital invested. We are fully in accord that a fair analysis of the entire situation be made by the Commission."

OFFERING a suggestion as to the fundamentals that ought not to be ignored, Mr. Reimers said:

"It is our opinion that the following fundamentals be developed by such an investigation, believing that they are basic principles and their proper answer is absolutely necessary to determining the sphere of motor trucks in the transportation field:

"1. Is provision made for payment of American standard of wages?

"2. Are adequate returns being made or contemplated, on capital invested?

"3. Is provision made for reserves for equipment, depreciation and operation during slack periods?

"4. Will operations provide for payment of reasonable taxes?

"5. Is ample provision made for insurance to safeguard the public and employees in such operations?"

These factors, Mr. Reimers argued, should be analyzed and compared with like information on railroad operations, in order to reach a proper conclusion as

Henry Reimers



Furniture warehousing's spokesman at rail-truck hearing before I. C. C.

to whether or not motor transportation is a benefit and is economically justified.

"In the first item," he said, "some truck operators pay extremely low wages and work employees unusually long hours and yet, in competition with both railroads and other soundly organized motor truck concerns, are not providing a return on capital invested. A minute examination of some such operations would indicate an uneconomic development.

"Costs are fundamental to the establishment of sound operations; therefore, price of service is largely a determining factor as to the proper function of the truck in transportation. If the truck can meet other methods of transportation at a service price commensurate with operating costs and gain sufficient tonnage on that basis, then the question as to its proper field is answered.

"It is our opinion, however, that the subject of truck operation from all angles has been treated in the past largely from the viewpoint of a new and

better mode of transportation destined to replace, to a large extent, rail transportation. It is our belief that this is an erroneous view.

"This should not be a problem of two opposing elements; in our opinion rather should it be one of coordination. The proper place for the common carrier motor truck is in coordinated operations with other transportation agencies. The railroads should perform the service which they can most economically do and the motor truck should definitely operate on the exchange of tonnage with railroads, servicing such business beyond rail lines, or which it can more economically handle.

"It is our understanding that the railroads are developing new facilities, such as containers which are interchangeable with motor truck. This new development should, in our opinion, go a long way toward solving the status of the truck. In the development of such new facilities it seems important that railroads maintain expeditious service and constancy as to delivery time. The truck made good headway in the absence of railroads providing expeditious delivery.

"It is our view that our own particular service, inter-city removals, should

be coordinated with other transportation agencies and that we should cooperate with other agencies such as railroads in directing traffic through proper channels. We are carrying out our views in this respect.

"The Allied Van Lines, to the best of our knowledge, is the only operator, specializing in household goods and office removals, which applies a tariff and carries out a sound American business, one-price non-discriminatory policy. Maintaining such a policy places us at a disadvantage with competition, who maintain no tariff policy and get for the service whatever the traffic will bear, or make whatever cuts are necessary to get the business."

Questioned by Examiner Flynn and representatives of other interests attending the hearing, Mr. Reimers explained that the van lines were owned by the association but the actual agents of the Allied Van Lines really owned their own equipment, the facilities being operated under what practically amounted to a leasing system.

He said that Allied Van Lines had been experimenting with container shipments where the long haul was handled by the railroads rather than motor truck.

These experiments have been made between Detroit on the one hand, and New York and Philadelphia on the other; and, also, between New York, Philadelphia, Cleveland, and Chicago. A container weighing some 4,000 pounds was used and, even paying freight on the tare weight of the container, the rail haul for the long distance with truck haul at the terminals indicated that the coordinated service could be rendered for less than the all-truck haul for the long distance.

"We believe," Mr. Reimers said, "from our particular operations a great amount of such tonnage can be handled more economically by rail if handled in containers which can be transferred between the rails and the motor truck. We also feel, while we have not given any amount of study to general merchandise, that there is the possibility of giving door to door delivery desired by the average merchant in servicing less than carload lots in containers."

Mr. Reimers said that the interests he represented were not opposed to regulation if it took into account conditions peculiar to the service, and that they were not opposed to proper taxes for the use of the highways.

Unregulated Truck Transportation Threatens Railroads' Integrity, Declare Witnesses Before the I. C. C.

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Washington Bureau,
1163 National Press Building

UNREGULATED motor truck transportation threatens the integrity of the railroads in the United States, in the opinion of a score of railroad officials testifying before the Interstate Commerce Commission. Beginning March 4 and continuing for practically two weeks, the Commission held public hearing here on all phases of motor vehicle and rail transportation competition. Ezra Brainerd, Jr., chairman of the Commission, and Examiner Leo J. Flynn presided. The Washington hearing, the last of a series which covered the principal districts of the United States, dealt with conditions in the Central East and Southeast.

While railroad officers presented a vast amount of evidence calculated to show how motor buses had reduced passenger traffic and revenues for the rail carriers, and how motor trucks now were making formidable inroads on freight traffic formerly moving by rail, their insistence on stringent regulation of both passenger and freight motor vehicle agencies met aggressive opposition from sources and interests which conceive motor vehicle transportation to be a forward step in the evolution of haulage.

A typical expression of this opposition was that made by Pyke Johnson, representing the National Automobile Chamber of Commerce. He submitted that the public ought not to be denied the benefits inherent in motor transportation on the mere grounds of "equalizing competition" between the newer and more mobile agency and the older and less elastic system of haulage.

ONE of the first witnesses was J. F. Deasy, vice-president of the Pennsylvania Railroad. While the picture presented by these rail executives

differed somewhat in details, in major features they were alike; therefore, Mr. Deasy's testimony may be taken as representative of the conditions on the

In one particular, at least, Mr. Johnson's testimony was in agreement with that of the rail officials. This agreement was in the view that in the freight field the principal competition to the rail carriers came from contract truckers and privately operated trucks. The witness said.

"While there are 22,000 fleets of five motor trucks or more, virtually 2,500,000 of the trucks in the United States are owned and operated by 2,500,000 individuals—evidence again that the service is not comparable to the concentrated rail operation."

Mr. Johnson expressed the view that as about 82 per cent of the motor trucks were individually owned and operated, regulation could not be extended to them except through police powers. Under any present theory of regulation these trucks were immune and such regulations as might be set up would apply only to common carriers. The effect would be, as Mr. Johnson explained, that the regulated motor truck carriers, as well as the railroads, would face the competition of the unregulated, privately owned and privately operated trucks.

As the evidence was presented to the Commission, the one uncontroverted fact established was that the motor truck and motor bus were revolutionizing transportation and that they were now a vastly more important factor than generally had been imagined. The development of the demountable truck body and the system of "container" shipments, had made remarkable progress, leaving no conclusion open other than that the service had been and was today cheaper and better than the older transportation methods.

railroads and of the attitudes of the officers.

"The Pennsylvania Railroad recognized very early the probable growth of

motor transportation in the field of commerce," Mr. Deasy said. "Recognizing its obligations as a common carrier and transportation agency to keep in step with this growth, it determined upon a policy of active participation in that field of transportation.

"We began in January, 1923, the coordination of truck and rail transportation through the substitution of motor trucks for local peddler trains in station-to-station service wherever it developed that economies could be effected and the movement of traffic expedited. These trucks are operated by trucking companies under practically uniform contracts.

"The use of the truck in this service has been gradually extended on our system until we now have a total of 49 routes, covering 1700 route miles daily, with an approximate annual saving of \$1,335,000.

"Aside from the direct economy of money and time in the movement of the freight traffic actually transported in these trucking operations, considerable intangible value has developed through the elimination of interference to steam trains in areas where the traffic is dense.

"The next step in our study developed the transportation of freight from the shipper's door by the use of containers. This plan contemplated that the shipper could load a container at a store door to be trucked to the freight station of the carrier, who would transfer it from the truck to the car for transportation to destination by rail, where it would again be transferred from car to a truck and transported to the store door of the consignee. The container is lifted on and off the truck at the railroad station by the railroad company by means of a crane.

"This service, by coordination of rail and truck, resulted in economies of time and of expense to the shipper through a material reduction in packing and wrapping requirements, and the elimination of individual handling of packages by the railroad at the originating and destination freight stations.

"This service was inaugurated between Baltimore, Buffalo, Cleveland, Philadelphia, Pittsburgh, New York, Rochester, N. Y., and South Kearny, N. J., on June 20, 1928, and up to Jan. 3, 1931 a total of 63,084 containers were transported, 58,451 of which were loaded, and 4633 of which were empty. This represents a 93 per cent loaded movement—a very high ration compared with any other class of equipment in service.

"One of the outstanding achievements in this operation lies in the fact that freight claims have almost entirely been eliminated.

"As a part of the general study of more economical and expeditious handling of freight traffic, it was found that approximately 30 per cent of the box cars were carrying loads of less than carload freight averaging six tons. This meant that box car equipment was being utilized only to 12 per cent of capacity.

"To secure heavier loads and to expedite the movement of less carload

freight and avoid the physical handling of it at transfers, the container has been placed in service for transportation of less carload freight at regular rates from station to station, particularly where the tonnage is light and insufficient to justify the direct station-to-station movement of a box car.

"In some cases the containers are loaded at stations on a truck chassis and trucked to a consolidating point within a city where they are loaded on rail cars. In other instances the freight is loaded directly into the containers while on the cars. Inasmuch as this class of freight moves at regular class rates, the cost of the trucking from the originating station to the concentrating station is assumed by the rail carrier. The use of the containers in this service in lieu of box cars is for our own convenience for purposes of economy and expedition of freight movement. We hope to accomplish a substantial reduction in operating expenses through the elimination of the necessity of physically handling

AT the time this April issue of Distribution and Warehousing went to press the Interstate Commerce Commission had not completed the final hearing, at Washington, D. C., in its inquiry into coordinated rail and motor truck transportation.

The accompanying article by Mr. Manning summarizes the earlier stages of the Washington hearing, begun March 4. Information regarding the later testimony will be published in our May number.

freight at transfer points and at the same time materially to expedite the movement of the freight involved.

"We are now actively engaged in the extension of this service. It is already in operation between a number of important points like New York, Trenton, Camden, Philadelphia, Wilmington, Baltimore, Washington, Lancaster, Harrisburg, York, Williamsport, Pittsburgh, Cincinnati, Columbus, Indianapolis and Chicago.

"The measures adopted to coordinate rail and truck transportation have been successful and quite satisfactory. They have also resulted in substantial economies. Through its subsidiary the American Contract & Trust Company, the Pennsylvania Railroad has acquired an interest in trucking companies in various cities. This action was taken not for the purpose of restricting the activities of the trucking companies but for the purpose of cooperating with them to make sure that the public would be supplied with the required trucking equipment for the transportation of containers between store door and rail head. This trucking service is carried on independently of railroad operations. The truckers with whom these arrangements

have been effected have been selected because they are able to provide equipment to handle containers."

As for long hauls, Mr. Deasy said that "it is impossible for the motor agencies with their individual units to give the economy in distance transportation which the railroad can provide in mass movement in train lots. On the basis of sound economy and coordination of highway and rail service it is, therefore, obvious that the motors should perform the terminal deliveries and the rails the line haul." He submitted evidence to show that "the highway truck competition paralleling our railroad is confined almost entirely within the 250-mile zone where the rail class rates are the highest."

Mr. Deasy told the Commission that his line had lost heavily in passenger traffic and passenger revenues and that these declines had "been brought about primarily by the use of the private automobile." He outlined several experiments made by the Pennsylvania in New Jersey, in its efforts to retain its passenger traffic against bus line competition. None of these was successful. The railroad, he testified, started in 1924 to substitute bus service for unprofitable passenger train service. He told how the Pennsylvania had bought into the Greyhound Corporation, ultimately forming the Pennsylvania Greyhound Lines, Inc., on a 50-50 basis of ownership. In 1930 this company had gross revenue of \$6,725,820.62 with gross expenses of \$5,869,227.70, leaving a net profit of \$856,592.92.

Mr. Deasy expressed the belief that motor buses should be regulated. Regulation of motor trucks he held to be a debatable question. In the event of regulation he suggested that common carrier truckers:

1. Secure a certificate of public convenience and necessity before commencing or ceasing operation.
2. Furnish proof of financial resources and of financial responsibility.
3. Keep prescribed accounts and make prescribed reports and comply with the rules and regulations issued by the proper tribunal.

The regulatory power, he submitted, should have authority to suspend or revoke certificates for cause; to permit transfer of certificates from one carrier to another; to permit consolidation, merger or acquisition of control of one carrier by another without discrimination as between different kinds of carriers. All carriers, he insisted, should have equal opportunity to engage in truck transportation.

Some of the other railroads which have attempted coordination of rail and motor carriers have not met with the success indicated by the Pennsylvania testimony. Mr. Phillips of the Seaboard Air Line, for example, testified that "it is apparent that the Seaboard Air Line Railway through the operation of its subsidiary, the Motor Transportation Company of the South, saved in train mileage \$12,000 but lost in the operation of the bus company, \$75,000."

Container traffic was being encouraged by the railroads to meet competition of trucks and freight forwarding companies engaged in the I. C. L. traffic, according to G. C. Woodruff, of the United States Freight Co. and the Universal Carloading and Distributing Co., which work in cooperation with the New York Central. He stressed the importance of the motor truck in store-door delivery. While on the stand he said:

"The container presents a physical opportunity for the joint use of a transportation facility by the railroad and the trucking company, and there are indications of the return to the railroads of most of the haul, with the exception of the terminal haul, if the containers can be used under a container basis of rates in conjunction with trucks at each end of the line haul."

Container rates, he explained, were on a space and weight basis, practically, and were in harmony with truck rates. He suggested the extension of the container service to as many points as possible, with cooperation between rail and truck carriers at terminals for pick-up and store door delivery. This arrangement, he submitted, would protect the railroads in their present freight traffic and would tend to draw back to them some of the traffic they have lost to the trucks.

Railroad Securities

Conditions in the territory served by the Nashville, Chattanooga & St. Louis Railway were discussed by Charles Barham, vice-president and general manager. He submitted that, if permitted to continue along present lines, competition of buses and trucks eventually would reduce the value of railroad securities now in the hands of investors and make it extremely difficult for the rail carriers to obtain capital for extensions and developments. Mr. Barham favored regulations of buses and trucks, and all motor vehicles for hire, so as to place them on a plane of equality with the railroads. He complained that the rail carriers carried an unjust burden of taxation when compared with that carried by the motor vehicles.

Col. Brainerd Taylor, assistant to the Quartermaster General of the Army, expressed the military view of the issue. He urged uniform laws for the regulation of motor transportation agencies and coordination of motor, rail, water and air transportation. He emphasized the prudence of keeping national defense ever in mind in dealing with the transportation problems.

Among the other railroad executives who testified were J. W. Perrin, freight traffic manager of the Atlantic Coast Lines; W. H. Howard, general passenger agent for the same road; Charles E. Thompson vice-president of the Chicago, North Shore & Milwaukee Railway; Thomas Conway, Jr., president of the Cincinnati & Lake Erie; R. T. Etheridge, freight traffic manager of the Seaboard Air Line, and Mr. Phillips, passenger traffic manager of the same road.

Mr. Etheridge testified that in Vir-

ginia, North and South Carolina, Georgia, Florida and Alabama, 1326 trucks were operating in common carrier service, 11,451 as contract carriers, 274,809 as privately operated, making a total of 287,586 trucks. Illustrative of what these trucks were doing to the freight traffic of the rail carriers, he cited the cotton movement into Norfolk, Va., Wilmington, N. C., Charleston, S. C., and Savannah, Ga., by rail and truck. The figures showed that in 1929 the rail movement amounted to 410,944 bales with a truck movement of 207,979 bales; in 1930 the rail movement amounted to 528,567 while trucks handled 267,319 bales.

Demountable Bodies

Benjamin F. Fitch, president of the Motor Terminals Company of New York City, presented facts regarding development of the demountable motor truck body operations in rail service as fostered by the Motors Terminals Company at Cincinnati. He told also of the organization and development of the Cargo Transport, Inc., coordinated with the rail carriers to the mutual advantage of the rail and motor carriers.

A summary of the conflicting views presented to the Commission must represent the rail carriers in agreement that motor trucks should be included in both State and Federal regulatory programs for the protection of the rail carriers; that rail carriers ought not to be restricted in negotiating agreements with truckers, or in getting into the motor truck transportation field where they do so to coordinate motor and rail transportation facilities.

The motor vehicle interests, some substantial elements among shippers, such as the National League of Commission Merchants, while admitting that regulation may be necessary, vigorously protest against any form of regulation that might restrict competition between the motor carriers and the railroads, or which might tend to force the motor truck rates up to the rate level of the rail carriers.

Whatever may be the details finally incorporated in Federal legislation, the present series of hearings very convincingly point to the prospect of legislation on this subject, perhaps in the next session of Congress. The evidence indicates, also, that inclusion of motor trucks is by no means a remote possibility, but rather a probability, as the combined influence of the rail carriers will be exerted in favor of such inclusion.

It will be recalled that one of the causes for opposition to the Parker bus bill when it got into the Senate in the last session was the fact that motor trucks were not included in the proposed regulations.

On the basis of the hearings it has held, the Interstate Commerce Commission will endeavor to formulate a policy for dealing with the problems of motor vehicle and rail competition, and submit its recommendations to Congress.

—George H. Manning.

At Denver

THE foregoing Washington correspondence covers the final one of this series of I. C. C. hearings. Previous ones—at St. Louis, Kansas City, Dallas, Atlanta, Detroit, Boston, New York, Chicago, St. Paul, Seattle, Portland (Ore.), San Francisco and Los Angeles—have been summarized in recent issues of *Distribution and Warehousing*. Of the seventeen scheduled, winding up with the one at Washington, only that at New Orleans, on Dec. 3, last, was not held, and that was because a sufficient number of witnesses did not appear.

At the Denver hearing, on Feb. 9, before Examiner Flynn, the Colorado Public Utilities Commission sat in with the examiner.

Charges were made that truck operators were offering illegal competition in the form of cheap rates, sufficient cargo insurance and general unreliability.

These allegations were challenged by James P. Logan, president of the Colorado Transfer & Warehousemen's Association and president of the Logan Moving & Storage Co., Denver, and by Jack Scott, counsel for the warehousemen's organization. They succeeded in having read into the record that the charges had no reference to members of the Colorado association but applied only to the "wildcat" lines operating within the State.

B. H. Taylor, vice-president of the Denver & Rio Grande Western Railroad, declared that motor transportation was a progressive step, an evolution in transportation, and should be encouraged in so far as it supplemented and improved other methods of transportation; but he asked that it be brought under regulation the same as railroads, and said that motor truck lines should pay a larger proportion of the cost of construction and maintenance of highways than at present; also, he advocated, taxes of railroads should be reduced proportionately to the amount of such increase.

T. S. Wood, rate expert of the State's Public Utilities Commission, testified as to the effect that motor vehicle carriers operated with rates that were not uniform; that some carriers operated on flat rates and others on class rates with their own classification, while still others operated under railroad classification with class rates. Where operations were on established class rates, he said, the bases of those class rates were usually the same as the rail lines, or approximately the same.

At Omaha

AT the Omaha hearing, on Feb. 14-18, as at most of the previous hearings, railroad witnesses were in the majority, and a great deal of the testimony had to do with bus operations.

Jessie Haugh, vice-president of the Union Pacific, declared that the most serious factor of truck competition was store-door pick-up and delivery, and he predicted that the railroads would soon

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Success Stories

No. 99

Elmer Erickson

By Elizabeth Forman

Let's Take the Family Album Out of Storage!

A MAN strolled through the lobby of the Ambassador Hotel in Atlantic City. As he passed a group of acquaintances, one remarked to the rest: "You know, he always reminds me of a gold bond."

The man spoken of is Elmer Erickson, Chicago. He was recently elected general president of the American Warehousemen's Association—yet, to use his own words, he as late as in 1919 "didn't know a box from a barrel," so far as relates to warehousing. He has been connected with

Below, plant of Midland Warehouse & Transfer Co., the Chicago firm of which Mr. Erickson is vice-president and general manager

In oval, Elmer Erickson, new president of the American Warehousemen's Association



business organizations for twenty-five years, but in a capacity which did not require a knowledge of the storage industry.

One of the youngest executives ever chosen to head warehousing's senior trade association—he is 42—Mr. Erickson is a member of President Hoover's National Business Survey Conference and is warehousing's representative in the Distribution Department of the Chamber of Commerce of the United States.

Mr. Erickson was born in Chicago and attended school there. Except for a time during the World War his address has been Chicago all his life. Twenty-five years ago, about December of 1905, he joined, as office-boy, a group of affiliated companies—the Union Stockyard & Transit Co., the Chicago Junction Railway and the Central Manufacturing District Co. His time was divided among these and as the years passed by he kept moving up until, in 1912, he was made purchasing agent.

When the World War broke out Mr. Erickson enlisted as a private. He served two years with the 124th Field Artillery from Illinois and returned as a first lieutenant

—to find many changes in the scheme of things by reason of the war.

Mr. Erickson was scarcely out of uniform when he received a call to join the staff of the Midland Warehouse & Transfer Co. and the Chicago Junction Terminal Building Co. He was soon given the management and, in quick succession, the general managership and vice-presidency.

In his new capacity Mr. Erickson quickly became interested in the value of association work. Fortunately for him, he says, as he was a stranger in the business, his company had long been a member of local and national groups. In 1923 the Illinois Association of Merchandise Warehousemen drew him into its activities—an association by which he declares he profited a great deal. He enjoyed, he declares, its cooperative spirit as well as the valuable information and knowledge offered through such a medium. Mr. Erickson now is one of the directors of the Illinois association, having served as secretary before serving as vice-president and as president.

(Concluded on page 53)

DISTRIBUTION

Its Economic Relation
to Public Warehousing

Number 73

House-to-House Selling Is Experiencing a Renewed Wave of Popularity.

Intimate Relation Developing Between Canvassing and Warehousing

By H. A. HARING

PEDDLING is undoubtedly the most ancient form of retail distribution in the world. Wherever there was a surplus of goods, the first thought was to market them among other people. To peddle them was the only possible manner of distribution. In due time the professional peddler developed—the man who did nothing else but carry wares from one place to another.

Modern peddling, to a limited extent especially among the ghettos and foreign districts of our cities, still persists. The traditional street vender with pack on his back may still be seen.

But peddling has divested itself of the old form, just as it has of the old name. Today, under fanciful names such as "house-to-house" selling or "direct" selling or "canvassing" or "wagon jobbing," the salesman travels in an automobile or a truck or a beautiful retail store on wheels.

The modern peddler handles commodities too bulky to be carried on his back. He makes single sales that would represent a month's business to his grandfather-of-the-pack. He works with a spot stock of the goods to support his work in taking orders. The law, too, clamps many requirements of license and tax upon the man who peddles—that is, delivers as he sells—but is

unable to lay its hand on his fellow salesman who books the order on one call and delivers the goods on a second.

For there is, at the present time, no legal curb on direct selling.

Nearly every State, at the insistence of retailers, has passed laws to regulate house-to-house order-taking, but these laws have always been found to be unconstitutional. For any effort to tax or to regulate such selling for concerns from other States have been held to interfere with "interstate commerce," especially that clause which permits business to be done across State lines. Canvassing, or order-taking, when carried on for concerns located in other States, "constitute interstate commerce," in the words of the Courts, "and persons so engaged are not subject to local requirements for licenses or special taxes either of the States or the municipality."

As a consequence many manufacturers which otherwise might have their goods peddled from house to house adopt distribution by means of taking the order on one call and making delivery on a second.

Selling and delivering at one and the same time falls within the clutch of the law.

Selling on the first visit and delivering at a later time is legal and proof against interference.

DEEPLY imbedded in the human soul is the desire to roam from home and the monotony of things familiar. Young men, especially, are nomads. Distance enchants them.

In every age, in every special order, young men have yielded to this urge to visit strange and remote spots. Americans especially, who are all in one sense the offspring of migrating peoples, always have been prone to "pull up stakes" for the purpose of finding what lies beyond the horizon of home. If funds were scanty, as often has been the case, the wanderer would finance his trip by "hitch hiking," so to speak. He carried something to sell or offered his services as a craftsman along the route. The college boy who buys a battered Ford and blithely starts for the opposite coast, planning to work his way by odd jobs, is merely modernizing the deed of his ancestors who, when the adventurous blood of youth surged in their veins, packed a small tin trunk with locally manufactured gadgets and started afoot to the frontier.

Methods differ. The inspiration has been constant.

The Tin Peddler

IN New England, in earlier days, there was a shortage of jobs. A man could become a sailor and go whaling over distant seas or codfishing on the stormy coasts. Or he could try to make a farmer of himself amid those rock-strewn hills. If neither of these livelihoods appealed to him, there was little else to do.

But, about thirty-five years before the Revolution, two brothers named Pattison came from England to Connecticut. They settled in a village near Hartford. The village was Berlin and it became the great center for the tin peddler, and, in one sense, the place where the "Yankee peddler" originated.

The two brothers were tinsmiths. They imported sheet tin and at Berlin cut and shaped it into kitchenware. For, throughout all the Colonial period, kitchenware and tableware had been whittled from wood, shaped from leather,

cast from pewter, or produced from copper. The rare articles of tinware were imported from England at a high price.

The Pattison brothers, for these reasons, found an eager market for what they could make with shears, anvils and wooden mallets. Whenever they had made up a goodly quantity of the new wares, they packed them into sacks. Then, slinging the sacks over their shoulders, they trudged through the nearby settlements of Connecticut, making house-to-house calls until all the bright tinware was sold.

Thus began Yankee tin-peddling—an institution destined to bring fame and wealth to rock-strewn New England.

Within a few years the Pattison business had outgrown the ability of two men to do it all. Apprentices were taught tin-smithing. "And," as recorded by Prof. Malcolm Keir of Dartmouth, "the brightest, most reckless young men in the home town were sent out on the road with one or the other of the Pattison brothers to learn the

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lures of a trade which involved, on the one side, a lot of shining tinware, and, on the other, such things as caraway and mustard seeds, feathers, old metal, or anything the people had of value.

"These young men constituted," continues Prof. Keir, "that great institution, the Yankee tin-peddlers.

"They were brave, for no coward would venture alone on long journeys at that time; they were clever, for they had no rules to guide them through the accidents of the road; they were highly immoral, for they were always among strangers and they were alone; they were keen witted, for they were pitted against sharp pioneers; and they were full of tricks, for they would do anything to make a trade."

Neighbors of the Pattison brothers envied their success. They quit working in the Pattison tinshop and set up for themselves. Each shop sent out its corps of young men to tour the Colonies from Georgia to Maine, and into the wilds of Canada. "The nasal-toned, hawk-beaked, wiry, psalm-singing, youthful Yankee tin-peddler became known wherever two or three families were gathered together."

When, after the Revolution, the new nation began to build turnpikes (in 1790), these roads enlarged the peddlers' operations. The roads permitted the use of a wagon instead of packs on his own back or saddle-baskets on a horse. The wagon was ingeniously constructed so as to transport the most wares in a small space. It was a "maze of secret compartments, hooks and drawers." At the end of a six or eight months' peddling trip, the peddler would make his way back to Berlin, near Hartford.

The tin shops employed fifteen to twenty men to make up the wares by hand. Each shop would support a hundred or more peddlers. Berlin was the recognized center of tin-making for more than one hundred years, although the industry did spread to Hartford and some near-by towns.

Buttons and Clocks

IN much the same manner the making of buttons from brass was developed in the region of Litchfield and Waterbury, in the same State. The first buttons in America were made of bone or bits of wood; later of pewter, for the rich. Pewter buttons sold for a dollar apiece! But, in the two towns named, worn-out copper kettles from the rum distilleries were bought up, as well as all sorts of copper articles taken in trade by the tin-peddlers. The salvaged copper was mixed with imported zinc and made into sheet brass, and, from these sheets, buttons were stamped out. Buttons made an ideal commodity to peddle, because they were small of bulk and high in value.

The brass-making center of America today remains in the neighborhood of these early makers of brass buttons.

Clocks, too, fell into the peddlers' hands.

Clocks, in early days, were "ponderous affairs made of wood and standing higher than a man; to own a clock was the badge of a rich man." Many attempts to replace the old wooden affairs with metal, or even glass, failed because metal was expensive and wood was cheap. Not until 1838 was brass cheap enough to compete with wood for this purpose.

That year, however, marks the beginning of clock-making in this country. Clocks thenceforth were cheap enough to go into ordinary homes. Shortly they were made small enough to go on a shelf. These were of a size that could be peddled, and, like buttons and pins, even the poor could now flaunt the badge of the rich. Thus the clock-making towns of Connecticut prepared the way for the "dollar watch" and the cheap "alarm clock" of our own day. These products are made in factories which stand on the very ground where mantel clocks first were produced.

In the same way the peddlers made possible the first making of building hardware at New Britain and Bristol; horn combs and hair ornaments, at Leominster; cheap jewelry, at Attleboro (Mass.), suspenders—then called "galuses"—at Middletown; stockings, at Philadelphia; pottery, at Trenton (N. J.).

The mode of selling created to sell tinware was seized by manufacturers of other wares. The peddler added to his stock anything small and light of weight. He carried a bewildering variety of goods, of which "a suggestive but by no means exhaustive list of the merchandise stowed in these picturesque wagons" has been compiled by Prof. Keir. He names the following articles:

Baskets.	Melodeons.
Books.	Nursery stock.
Brushes.	Oysters.
Brooms.	Patent medicines.
Buttons.	Pins.
Candles.	Pottery.
Carpet slippers.	Razors.
Chairs.	Seeds.
Clocks.	Shawls.
Clothespins.	Shoes.
Combs.	Shoelaces.
Cutlery.	Silverware.
Crochet equipment.	Snuff boxes.
Drugs.	Spectacles.
Dyestuffs.	Statuettes.
Essences.	Stockings.
Embroidery.	Suspenders.
Fish.	Tatting.
Hats.	Textile materials.
Indigo.	Tinware.
Jewelry.	Tobacco.
Jews' harps.	Tracts.
Knit goods.	Yarns.
Laces.	Wooden ware.

This list is here reprinted because to peruse it brings to mind all those industrial centers of New England which, even in this day, specialize in one type of product. The start was made before

the time of railroads, during that long period when peddlers were the great merchandisers of America. They gave Connecticut and Rhode Island and Massachusetts such a hold on the making of these goods that no one has wrested away the supremacy.

"Although we must admit," declares Prof. Keir, "that the Yankee peddler of former days deserved his reputation for being oversharpe in a bargain, we must not let this fact blind us to the real service he rendered. Because this peripatetic merchant in his zeal for a bargain sometimes sold hams made of basswood, cheese of white oak, and wooden nutmegs, these have become the things on which his evil reputation rests. He is not popularly credited for the service he provided to struggling industries by furnishing a marketing system for their products.

"Production without sale is a failure; distribution and consumption are the life of trade. Without the peddler as a distributor, many of New England's industries would have waited a much longer time to be born and might have been abortive. We should honor the tin-peddler for the service he rendered, rather than despise him for the manner in which the service was contributed."

Enter the Jew

TIN-PEDDLING was primarily a business for young men. As peddlers reached maturity, they retired "from the road." A goodly number of the expeditors settled down to open retail stores in towns which they had selected during their roving days. As buyers for their stores, they continued to patronize the New England manufacturers with whom they had always dealt.

Tin-peddling by the Yankees died when the railroads came. Goods could then be shipped; jobbing grew up; retail stores everywhere took the place of the door-to-door salesman as the only way people could buy. Quickly the Yankees forsook peddling. They went into retailing and jobbing, going "west" with the pioneers as storekeepers in growing communities. There were now enough jobs in the factories of New England for the on-coming generation.

The Yankee peddler was succeeded by the Jew.

It was not until after 1830 that the great Jewish migration to the United States started. The movement was inaugurated from Germany, Spain and Portugal, because those three countries began at that time restrictive measures against Jews by forbidding them to own real estate and by onerous taxes levied upon them for racial reasons.

The Jews settled chiefly at Newport in Rhode Island and in New York City. The esteem in which Mayflower descendants are held in New England, Knicker-

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bocker blood in New York, First Families in Virginia, and Forty-Niners in California, is equalled by the respect shown by modern American Jews to the few survivors of those Jews who first came to America.

A large part of the Jews had been traders in Europe. Some of them had been peddlers. Accordingly upon arrival in America they entered the business to which they were trained. The Yankees were then forsaking peddling, and the Jews picked up the reins the Yankees dropped. Those few Yankees who stubbornly clung to their seats upon the tin wagons were pushed off by the hungry Jews, whose wits had been sharpened by centuries of suffering in Europe. Rare indeed was the bare-boned Yankee whose shrewdness was sufficient to withstand the competition of the subtle, bearded Semitic.

To the Jews, peddling was but a springboard to fortune. As soon as the Jewish peddler had gathered a little capital he sold his peddler's equipment to a more recent Jewish immigrant and launched himself—as some of his Yankee predecessors had done—into retail business. The names standing out in gold leaf upon the plate glass windows of many a department store in America once were scratched in chalk upon a lop-wheeled peddler's cart.

By the decade of the eighties, when the Russian and Polish Jews crowded the steerages of trans-Atlantic steamships, the German and Spanish and Portuguese Jews had finished with peddling and left the remnants of this decaying activity to their newly arrived, indigent, distant cousins. Curiously, the latter days of peddling have seen its practitioners not on the road winding through valleys sparsely populated with farmers but in the hard-paved alleys, slit through teeming tenements. Pushcart men are the faded caricatures of a once hardy, vigorous calling.

The Jewish peddler was sharper of wit and far less honest than the Yankee of ill repute. Yet, in the popular mind, the thing the Jew contributed to our life is a picturesque manner of dressing in cast-off garments, a love of money beyond that of any other human being, and a standard of morals that everywhere burlesques accepted standards.

Canvassers Today

THE peddler carries his stock of goods. He sells and delivers and collects as a single operation. In contrast to this method is the modern method of soliciting the order for later delivery and collection. This is known as "order taking," "canvassing" or "direct selling."

Canvassing is the hardest selling in the world. It also yields the biggest pay to the salesman. It is, moreover, an excellent training for the man who

plans to enter business for himself, chiefly because it is filled with discouragements while, at the same time, it abundantly rewards wit and aggressiveness.

Among well-known Americans who began in this manner may be named Samuel F. B. Morse, who invented the telegraph; Jay Gould; the first William Waldorf Astor and August Wendel, who founded the two largest realty holdings in New York City; Thomas A. Edison; Cyrus H. K. Curtis; Myron T. Herrick; Melville E. Stone; John B. Stetson, and William Wrigley. The list might be indefinitely extended.

As a matter of fact, we have today also the successor to the peddler's wagon in the pushcart in our big cities, together with "groceries on wheels," "motoreries," "grocerterias," "rolling stores," "tea wagons," "the Watkins man" or the "Jewel Tea man," and the like. No one knows how many concerns are selling goods in this manner, all the way from a dozen outfits to the 1200 of Jewel Tea and the 13,000 of Watkins. There are, also, "wagon jobbers" in food products, drugs, hardware, automotive supplies, haberdashery, patent medicines, unlawful liquors, men's clothing, confectionery and soft drinks, peanuts and ice cream.

But of canvassers there is a small army. The census gives no figures. Many people canvass part time only; but the estimates are that probably one person in every 235 of our population is engaged in canvassing, although the same individual may not work at it continuously throughout the year. In the City of Cleveland \$18,000,000 worth of food, other than meat, is annually sold to the people by peddlers and canvassers, according to a special study made by the Census Bureau. More than 150 nation-wide organizations have their men out selling teas, coffees and selected groceries by this method.

To mention Real Silk Hosiery; Fuller Brush; Jewel Tea or National Tea or Grand Union Tea; J. R. Watkins of Winona; Larkin of Buffalo; "Golden Rule Nash" of Cincinnati; Richman Bros. Clothing Co. of Cleveland; Hoover Suction Sweepers; Frigidaire or any other of the refrigerator makers; Western Electric or another of the electric appliance makers; "Wear Ever" aluminum, or President Eliot's "Five-Foot Book Shelf," is to conjure up the salesman who does direct selling. These are but a few of the leaders.

Real Silk sells \$30,000,000 a year in this manner; Fuller Brush more than half that total; Jewel Tea the same and Watkins about \$20,000,000. Nash sells \$15,000,000 of men's suits from Cincinnati each year; while, at the other end of Ohio, Richman does one-third more business than that figure from

Cleveland. Both cities boast dozens of lesser concerns whose methods pattern these leaders.

Salesman Turnover

ALL these companies are obliged to adjust their methods to the big problem of the business—namely, that turnover of salesmen is high. Men, and women as well, flock to canvassing for temporary work, such as the need of extra money in a pinch, unemployment at regular jobs, summer vacation from school or college, the chance to go somewhere and pay their way by canvassing. Canvassers, for another matter, drop one product and take on a new one, in the hope of making quick sales to those homes where they have been able to effect entrance and close sales with something else.

With this high turnover comes unreliability. Canvassers are not given credit, except in rare cases. They are obliged to deposit money or buy outright their "outfits," which include sample lots of the goods. Seldom are they permitted to make collections, and then only when bonded and when they have satisfied the employer of their reliability.

It is not the plan of the manufacturer, as a general rule, to entrust anything, either cash or goods, to the canvasser. He is a taker of orders, allowed to collect from the prospect the customary deposit. This he pockets as the whole or a part of his commission. When the goods come along for delivery, the usual method is for them to be shipped to the customer C.O.D.; or, if delivered by the salesman, they come C.O.D. to him, thus obliging him to finance them for a brief period. Exceptions there are, of course, particularly for household appliances where the canvassers' work is supervised by an agency or branch or local dealer. In this case this agency enjoys credit standing and is invoiced as any dealer would be.

But, in a general way, the canvasser takes the order and collects the down payment; and the delivery of goods is performed by a second person—postman or expressman or freight agent. Some times, as we have seen, this second person is a local dealer.

Of all sources of canvassers, those out of employment furnish the most. Nystrom has found:

"Business depressions and slackness in employment, particularly among those classes of people who can be taught how to sell from house to house, favor the growth of direct selling. Each of the periods of business depression following 1873, 1893, 1907 and 1920 were accompanied by booms in direct selling extending over three or four years following. In each of these periods, direct selling companies found it easy to obtain salesmen from among the ranks of unem-

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played. The necessity for earning something made them keenly interested in learning the technique of direct selling and of making something out of it. When business conditions improved and employment again became normal, many of these canvassers went back to their old line of work."

Following the depression of 1920 came the usual wave of canvassing. The year 1925, in the judgment of Prof. Nystrom, "probably represented the high level of activity in direct selling."

And, now that we have had another depression, the upward wave is again upon us. The years 1928 and 1929 were not good for these manufacturers, but 1930 was a very good one, and, for the first months of 1931, higher totals are being reported for each thirty days. The reason is completely given in a paragraph preceding this one. Unemployment has driven men to canvassing, as the only thing they can get to earn anything. Clerks and mechanics, real estate salesmen and bond salesmen, "white collars and overalls," have equally turned to doorbell-ringing because their ordinary jobs have failed.

The wave of direct selling swings up. If it does as past waves have done, the peak will come three or four years from now. This means that volume will grow steadily until 1933 or 1934.

The manufacturers, however, have had to shorten the time of delivery. For most goods it has required two to three weeks from the day of signing the order until the goods are received. Although a down-payment has been made, families often find themselves depleted of cash and, even at the cost of sacrificing the deposit, refuse the C.O.D. deliveryman. These refusals are reported as most commonly occurring with sales from \$5 to \$10, especially for soap and toilet goods, hosiery and undergarments for women, suits for men, aluminumware and brushes and similar kitchen utensils. Washing machines have suffered probably more than anything else, for the reason that prices were suddenly cut from \$99.50 for standard equipments to \$79.50 and the whole industry immediately demoralized. The cut was more than the normal deposit, and the woman could, therefore, save money by throwing away her deposit. If, on the contrary, delivery could have been the day after booking the order, payment in full would have been forthcoming or execution of the instalment notes (which amounts to payment).

For these and similar reasons the manufacturers are seeking ways to shorten the lapse of days between the two steps in the sale. The canvasser usually collects enough as down payment to cover his own commission. He loses nothing if the customer fails to complete the deal. But the manufacturer does. The

sale is lost. In addition to that fact the factory is out of pocket to the extent of shipping charges out and back, because when the goods are refused the charges also are refused.

Where local dealers stock the goods and make delivery no trouble occurs. The difficulty is (1) for goods where local dealers do not handle and therefore all sales are shipped from the factory in another State, and (2) for points where local dealers do not cover the market and, again, the shipment must come from a distance.

Jobbers, as a rule, decline to handle this business. They do not want to antagonize retailers by helping out the much-hated canvasser. They do not, for another matter, care to bother themselves with petty C.O.D. deliveries "at the fringe of the business day, one end or the other"—an expression which means that the canvasser comes for his goods either very early in the morning or just at closing time (for an evening delivery).

The obvious way out is to distribute through a public warehouse. This is done by the larger manufacturers. Not by the smaller ones—probably because they do not know what a warehouse is.

Here lies the changed relation of canvassing that interests a warehouseman. The time must be cut down for making delivery. Yet the manufacturer dares not entrust his goods to the canvasser any more than he has done in the past. Unless, however, he does find some way to hurry up deliveries, more sales will be incompletable than ever before. The change, therefore, must be made in short-cutting the time for shipping. This can be easily done by warehousing goods at any point where canvassers are working.

In another article of this issue of *Distribution and Warehousing*, under the caption "New Business for Warehouses" [page 39], are presented some

further suggestions to the warehouseman who has an interest in development of this business.

Contrasts

ALL forms of peddling are successful for the salesman who knows how to overcome the peculiar resistance of the prospect. The work is discouraging because it is hard to gain admission to the home, or the business office, in order to sell something. This very difficulty brings success only to the aggressive salesman. Quick wit and powers of persuasion make the sale.

The contrast with selling behind a counter is sharp.

When a customer enters a store he comes with the intention of buying, or at least of examining goods with a view to purchasing. The customer is receptive and willing. When, however, the canvasser rings the doorbell, he interrupts the woman at her housework or while entertaining a friend, possibly from a mid-day nap. Her every thought is to slam the door. Much the same situation is met at the business office, where a succession of buffers and thick-headed clerks are deliberately used to discourage a canvasser.

The result is that salesmen behind counters hardly deserve the name. They might as well be brainless in many cases. Often they lack courtesy, and treat the customer as a necessary evil. We all know the type.

Chain stores and chain-store methods have multiplied this type of clerk. The chain store emphasizes price and display. It makes the customer go a long way to helping himself to the goods and carrying them to the cashier's desk! Thus, our great wave of chain-store methods has accentuated the contrast between selling in a store and selling at the door. As less ability has come to "clerking" for a chain store, less has been paid the so-called "salesman." To sell, therefore, for a modern store, with the tendency to chain methods, means less and less wage to the employee.

Hence it results that our chain stores have given impetus to the wave of canvassing. Good salesmen are quitting "inside" jobs for the "sole leather" way of selling. Those who possess real tact and real ability to sell are graduating from the chains, to "get the air"—not by discharge from the job but by deliberate choice to "work for themselves." By selling from house-to-house they work harder. But they have a chance to exercise their real fitness to sell—and, they make far more money.

It is therefore apparent that the new wave of canvassing, now approaching a peak for volume, will sell more goods than any preceding wave. The totals for 1925 will disappear as a record.



Occupancy Reported 70% on Dec. 31 as Against 69.9% at End of November

**Latest Government Figures Indicate a Slight Average Advance.
Tonnage Statistics for December Show Larger Percentage
Entered Storage Than in November**

By KENT B. STILES

PUBLIC-MERCHANDISE WAREHOUSING November-December, 1930

Division and State	Per Cent of Floor Space Occupied		Tonnage			
			Received During Month	Delivered on Arrival	Received During Month	Delivered on Arrival
	*Nov. 1930	Dec. 1930	*November 1930		December 1930	
NEW ENGLAND: (Total)	53.0	51.1	13,330	10,158	15,566	7,590
Vermont and New Hampshire	86.2	91.8	225	60	210	
Massachusetts	51.4	48.8	9,649	7,459	11,586	4,190
Connecticut	60.0	59.4	1,344	2,389	1,239	3,080
Rhode Island	49.5	46.3	2,112	250	2,531	320
MIDDLE ATLANTIC: (Total)	64.7	65.7	146,445	10,522	163,802	8,800
N. Y. Met. District, Total (1)	62.9	64.7	108,552	1,508	125,790	1,407
Brooklyn	59.2	60.6	34,696	316	44,027	261
Manhattan	70.2	71.4	34,393	164	56,150	155
Nearby N. J.	60.1	65.2	39,243	968	24,223	961
All Other	45.0	43.6	220	60	1,390	30
N. Y., except Met. Dist.	77.7	74.3	14,461	5,684	12,892	4,810
New Jersey, except Met. Dist.	58.0	57.8	664	75	462	50
Pennsylvania	65.6	65.6	22,768	3,255	24,658	2,533
EAST NORTH CENTRAL: (Total)	73.3	71.3	103,113	18,831	87,546	16,810
Ohio	72.7	74.4	25,254	6,938	22,437	6,362
Indiana	74.9	73.6	5,237	787	3,173	685
Illinois, except Chicago	71.8	55.0	3,380	3,012	2,615	1,452
Chicago	78.8	77.4	51,760	2,986	42,817	3,667
Michigan	70.1	65.7	12,743	2,854	12,625	2,502
Wisconsin	57.6	57.2	4,739	2,254	3,879	2,142
WEST NORTH CENTRAL: (Total)	77.6	79.5	81,841	17,209	78,701	16,043
Minnesota, except Minneapolis and St. Paul	72.0	67.5	1,308	1,310	1,170	778
Minneapolis and St. Paul	82.5	85.1	20,373	4,863	19,456	3,891
Iowa	69.2	71.3	9,886	3,392	5,696	2,564
Missouri, except St. Louis	79.3	81.4	13,757	1,958	16,310	1,874
St. Louis	78.8	76.5	7,656	425	5,996	455
North Dakota	86.5	90.0	7,275	345	4,158	248
South Dakota	76.4	70.3	418	88	209	97
Nebraska	72.2	83.5	15,953	2,193	19,105	1,828
Kansas	72.9	63.8	5,215	2,635	6,601	4,308
SOUTH ATLANTIC: (Total)	74.7	68.0	47,146	10,405	35,539	7,557
Maryland and Delaware	73.1	63.3	25,752	1,813	19,752	2,237
District of Columbia	75.0	74.4	2,514	1,963	2,314	1,688
Virginia	84.4	85.5	2,982	879	1,998	939
West Virginia	81.8	75.1	1,135	197	1,113	201
North and South Carolina	77.0	71.0	3,568	524	1,974	264
Georgia and Florida	71.0	70.4	11,195	5,029	8,388	2,228
SOUTH CENTRAL: (Total)	80.6	82.3	39,664	11,450	46,067	10,156
Kentucky and Tennessee	83.6	79.5	5,361	2,332	5,500	1,998
Alabama and Mississippi	67.8	68.1	1,378	1,030	1,249	883
Arkansas	82.3	70.1	1,976	1,291	1,776	964
Louisiana	66.1	80.4	11,972	968	20,844	762
Oklahoma	85.3	86.2	9,909	2,761	9,169	2,325
Texas	85.6	85.1	9,068	3,268	7,554	3,224
MOUNTAIN and PACIFIC: (Total)	70.6	70.7	36,681	31,970	40,243	18,698
Idaho and Wyoming	66.0	69.3	466	354	387	380
Montana	88.4	86.1	756	252	576	111
Arizona and New Mexico	56.9	60.8	436	904	196	523
Utah	79.6	68.3	3,540	641	2,193	506
Colorado	75.5	76.3	2,548	1,234	1,194	904
Washington	72.8	73.9	3,752	6,539	3,844	2,360
Oregon	64.3	65.6	9,502	17,220	13,601	9,604
California	70.1	70.7	15,681	4,826	18,252	4,310
Totals for United States	69.9	70.0	468,220	110,545	467,464	85,654

(1) Because of the importance of this territory, figures are shown separate from the State totals.
* Revised.

MERCHANDISE warehousing's average occupancy curve, as indicated by reports to the Department of Commerce, continues gradually upward. The highest level since May 31 of last year was reached on Dec. 31, according to the most recent Government statistics. At the close of the year the average occupancy percentage was 70.0, which, while not as high as on the same date in 1929, was nearly two percentage points better than the mark recorded on that date in 1928.

The percentages on the final days of the last seven months of 1930 were May 70.3, June 68.4, July 67.8, August and September each 68.4, October 68.8, November 69.9 and December 70.0 (provisional). Improvement in the latter part of 1930 was, therefore, quite clearly indicated.

The 70.0 per cent reported for the past Dec. 31 is 1.9 per cent better than the level attained on the same date in 1928. It is 5.9 per cent below the mark reached at the end of December of 1929, but the percentage at that time was close to the highest ever reached in the history of this statistical movement.

The tonnage figures in the accompanying November-December table show, for last December, a new high record in the percentage of goods entering storage (out of total volume received) in any one month. In December 553,118 tons reached 1128 reporting warehouses, and 84.5 per cent, or 467,464 tons, actually went into storage, the balance being delivered on arrival. The highest previous mark, since the beginning of this statistical movement in January of 1928, was 83.6 per cent, reached in February of that first year. The December figures are provisional, being subject to change on the basis of subsequently reports.

The mark 84.5 per cent for Dec. 31 compares with 80.9 per cent in November, when 468,220 tons entered storage out of 578,765 tons arriving at 1133 reporting warehouses.

Of interest are the following comparative percentages covering goods entering storage out of volume received:

	1928	1929	1930
December	72.1	75.2	84.5

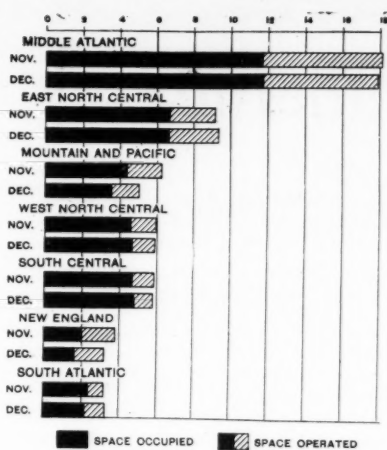
Occupancy

THE 5.9 per cent average decline in occupancy, for the entire country, this past Dec. 31, from the level recorded on the previous year's corresponding date, was not reflected in Vermont, New Hampshire, Connecticut, Delaware, Maryland, District of Columbia, Virginia, West Virginia, North and South Carolina, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma and Colorado. In all these States there were gains. Texas showed no change.

The following comparisons are available:

Occupancy Dec. 31			
	1928	1929	1930
Mass.-Vt.	50.0	50.8	...
Vt.-N. H. ....	...	...	91.8
Mass. ....	...	...	48.8
Conn.-R. I.	61.6	50.9	...
Conn. ....	...	...	59.4
R. I. ....	...	...	46.3
N. Y. Met. Dist.	58.6	83.5	64.7
Brooklyn	43.5	86.4	60.6
Manhattan	76.9	78.9	71.4
Nearby N. J. & others.	74.4	81.9	...
Nearby N. J. ....	...	...	65.2
All other ....	...	...	43.6
N. Y. State	54.8	82.2	...
N. Y. State except Met. Dist. ....	...	...	74.3
N. J. State	76.4	81.2	...
N. J. State except Met. Dist.	68.1	75.8	...
Pennsylvania	71.2	71.7	65.6
Ohio	84.7	90.9	74.4
Indiana	75.2	79.4	73.6
Illinois	77.3	82.2	...
Illinois except Chicago. ....	...	...	55.0
Chicago	77.7	84.0	77.4
Michigan	68.1	68.3	65.7
Wisconsin	77.3	86.4	57.2
Minnesota	77.8	85.3	...
Minn. except Mpls. & St. P. ....	...	...	67.5
Mpls. & St. P.	78.1	85.1	85.1
Iowa	70.1	78.5	71.3
Missouri	79.8	83.5	...
Missouri except St. Louis. ....	...	...	81.4
St. Louis	75.9	78.3	76.5
Mo. & So. Dak.	94.9	92.9	...
No. Dakota ....	...	...	90.0
So. Dakota ....	...	...	70.3
Nebraska	83.6	89.2	83.5
Kansas	77.4	87.5	63.8
Del., Md. & D. of C.	51.8	59.7	...
Del. & Md. ....	...	...	63.3
Dist. of Col. ....	...	...	74.4
Va. & W. Va.	68.8	70.7	...
Virginia ....	...	...	85.5
West Virginia ....	...	...	75.1
No. & So. Carolina	73.4	70.1	71.0
Ga. & Fla.	81.3	73.0	70.4
Ky.-Tenn.	74.9	72.1	79.5
Ala.-Miss.	80.9	67.1	68.1
Ark.-La.-Okla.	67.3	58.3	...
Arkansas ....	...	...	70.1
Louisiana ....	...	...	80.4
Oklahoma ....	...	...	86.2
Texas	83.8	85.1	85.1
Idaho-Wyo.-Mont.	82.2	89.8	...
Idaho-Wyo. ....	...	...	69.3
Montana ....	...	...	86.1
Ariz.-Utah-Nev.-N. Mex.	78.5	85.4	...
Ariz.-N. Mex. ....	...	...	60.8
Utah ....	...	...	68.3
Colorado	71.5	74.4	76.3
Washington	69.4	82.2	73.9
Oregon	63.9	69.2	65.6
California	74.5	73.9	70.7
Average for entire U. S.	68.1	75.9	70.0
Warehouses reporting.	1227	1302	1355

Comparing the Dec. 31 occupancy percentages (which are provisional) on the opposite page with those of Nov. 30, it is disclosed that the advance of one-tenth of one per cent was reflected in Vermont, New Hampshire, the New York metropolitan district, Ohio, Minneapolis and St. Paul, Iowa, Missouri outside of St. Louis, North Dakota, Nebraska, Virginia, Alabama, Mississippi, Louisiana,



Department of Commerce chart issued in conjunction with its November-December occupancy statistics. The figures along the top of this graph represent millions of square feet.

Oklahoma, Idaho, Wyoming, Arizona, New Mexico, Colorado, Washington, Oregon, and California, with Pennsylvania unchanged. Elsewhere declines were reported.

Tonnage

AS already pointed out, the percentage of volume which entered storage in December, out of the total arriving tonnage, was larger in the 1930 month than in December of 1929, the gain being 9.3 per cent for the entire country. By divisions, the comparisons are as follows:

	Storage—December Percentage Entering		
	1928	1929	1930
New England	76.7	80.4	67.6
Middle Atlantic	82.4	92.6	94.9
East North Central.	77.5	88.7	83.8
West North Central.	81.8	78.0	83.1
South Atlantic	52.2	38.9	82.5
East South Central.	70.7	73.8	70.1
West South Central.	78.0	74.1	84.4
Mountain	62.6	68.8	65.2
Pacific	65.4	61.9	68.7
Entire country.	72.1	75.2	84.5
Warehouses reporting.	1227	1302	1128

Comparing this past December's percentages with those recorded for November, it is found that an advance of 3.6 per cent was reported for the entire United States. This up-turn was reflected in all but two of the divisions—East North Central and Mountain—while the advances were led by the Pacific group with 17.5 per cent. The comparisons by divisions for the two months follow:

	Percentage Entering Storage—1930		
	Nov.	Dec.	Change
New England.	56.8	67.6	+10.8
Middle Atlantic.	33.3	94.9	+1.6
East North Central.	84.6	83.8	-0.8
West North Central.	82.6	83.1	+0.5
South Atlantic.	81.9	82.5	+0.6
East South Central.	66.7	70.1	+3.4
West South Central.	80.3	84.4	+4.1
Mountain	70.0	65.2	-4.8
Pacific	51.2	68.7	+17.5
Entire country.	80.9	84.5	+3.6
Warehouses reporting.	1133	1128	

Floor Load Cards
May Be Available

At the suggestion of Lewis & Leonard, New York architects and engineers widely known in the storage industry, *Distribution and Warehousing* is prepared to have printed—if a sufficient interest is displayed in the industry—a large stock of placards which would bear this caption:

"The Allowable Floor Load of This Floor Is — Pounds."

These would be for use by warehouse companies. They would be placed on the various warehouse floors and would be for the information of building inspectors.

Use of cards of this character is obligatory in most of the cities.

If enough orders are received from warehousemen, the cards will be printed and will be sold at about cost.

In many cities, according to Lewis & Leonard, the inspectors are tightening their restrictions with regard to the display of floor load notices.

Next Month:
CHARTS

ABOUT April 1 the Department of Commerce was expected to issue revised totals for last December. Final figures thus become available, accordingly, covering the first three years—January, 1928, to December, 1930 inclusive—of the Government's warehousing statistical project.

Based on these percentages across the thirty-six months, charts will be prepared which will be published in the May issue of *Distribution and Warehousing*.

Thus will be presented graphically the peaks and valleys of the industry's occupancy and tonnage, those of 1930 being contrasted with the ones of 1928 and 1929, as indicated by the records of the Bureau of the Census.

Liability for Injuries to Customers and Employees

Thirty-ninth of a Series
of Legal Articles

By LEO T. PARKER

Attorney-at-Law

INASMUCH as the law of injuries to patrons and employees is unusually well settled, knowledge of the established law on this subject together with reasonable application, should enable warehousemen importantly to reduce the chances of financial losses from this most common source.

First it is important to realize that liability for an injury to either a customer or an employee may arise from any negligent act, on the part of the warehouseman or his authorized representative, which directly or indirectly causes the injury. In other words the law expects all employers and the owners of businesses to exercise an ordinary degree of care to prevent injuries. Obviously, the law requires also that patrons and employees use ordinary care to prevent being injured. Just what is "ordinary care" varies with the circumstances surrounding the occurrence of the injury.

For example, a warehouseman is required to exercise a higher degree of care to prevent injury to a minor or an inexperienced employee than is expected with respect to an adult or a person thoroughly experienced in the performance of the work he is employed to do. This is true because an adult or an experienced workman is capable of realizing the hazards of the employment, whereas in order that a minor or an inexperienced employee realizes the dangers associated with his work, to the same extent as an adult or experienced employee, it is required that the warehouseman exercise a relatively higher degree of care for protection against injuries which are apparent to the warehouseman and unknown by the minor or inexperienced employee.

VARIOUS Courts have held that there is no unusual degree of care chargeable to a proprietor of a warehouse with respect to the safety of his patrons. He is merely under the duty of exercising *reasonable care* to keep his warehouse in safe condition.

In other words, a warehouseman who, like any other person, expressly or impliedly invites others upon his premises is not an insurer of their safety while in the warehouse, but owes to them merely the duty of exercising reasonable care to keep the premises in a safe condition for their proper use.

Generally speaking, a patron will not recover damages from a warehouseman for an injury unless the former proves that the injury resulted from negligence on the part of the warehouseman or his employees. It is not sufficient that the patron proves that *it is likely* that the warehouseman was negligent.

For illustration, in *F. W. v. Williams*, 41 F. (2d) 970, it was disclosed that

a woman patron slipped and fell on a floor, breaking her arm. She was the only witness who testified as to the cause of the accident. She stated that when she was assisted from the floor to a chair she noticed an oval-shaped spot on the floor at about the point where she fell; that the spot was darker than the floor; that it was slightly raised above the floor, and that she had no doubt but that her heel went into this spot and caused her to slip.

During the trial, counsel for the woman contended that the proprietor was negligent in that "he allowed and permitted some greasy, slimy, oily, or other like foreign substance to be and remain upon the floor, and did fail to remove and clear the floor of the substance so as to remove danger to persons of slipping and falling." However, the United States Court held the woman not entitled to damages, saying:

"Until it is established that the accident was occasioned through the negli-

This same rule of the law is applicable with reference to patrons. For instance, a warehouseman should use greater care to safeguard against injury of a patron who never has been in his warehouse than would be required where the patron is thoroughly familiar with the premises.

In one leading case the Court held a warehouseman liable for an injury sustained by a patron who, being unfamiliar with the warehouse building, fell through a trap door. This Court explained that it was the legal duty of a warehouseman to warn persons unfamiliar with the warehouse premises of unseen dangers, either by personal conversation or by means of signs posted in such locations that newcomers would readily observe such warnings.

It is quite apparent that the term "ordinary care" actually means that degree of care which would be exercised by the average and prudent warehouseman under similar circumstances. Moreover, the adaptability of a warehouseman to construe the legal meaning of "ordinary care," under many and different conditions, indicates his ability to conduct his business in a manner designed to reduce to a minimum the average losses from injuries to patrons and employees.

Therefore, in order clearly to illustrate the law pertaining to injuries, and thereby assist warehousemen to avoid occurrences of injuries, as well as expensive damage suits, I shall review several selected and recent higher Court cases involving various important phases of the law on this subject.

gence of defendant's employees, or as the result of the existence of a condition of which defendant had either actual or constructive notice, there can be no recovery."

In still another leading case, *Mond v. Arion*, 228 N. Y. S. 533, it was disclosed that a patron slipped on what he described as a spot of oil about the size of a grapefruit, and fell, receiving injuries for which he obtained a judgment for damages in a lower Court. None of the employees was at the place of the accident. He testified that he noticed a spot of oil on the floor, with a streak running through it and extending for about a yard, indicating where his heel had slipped.

The proprietor introduced evidence which proved to the higher Court that the last time oil had been applied to the floor was from two to four weeks prior to the accident, and that after its application it was mopped perfectly dry. It is interesting to observe that, al-

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though the lower Court held the proprietor liable, the higher Court reversed the judgment and said:

"The existence of a spot of oil such as is described by plaintiff does not, in and of itself, establish a cause of action. . . . No attempt is made to show how or by whom the oil spot was created, nor as to how long it had existed; so far as appears, it . . . may have been caused by some person having no connection whatsoever with defendant. As has been said, it is not sufficient to show that the oil was there; he must go further, and show its presence under circumstances sufficient to charge defendant with responsibility therefor."

Ordinary Care

AS previously stated, the proprietor of a warehouse is bound to exercise care and make frequent inspections of the appliances likely to cause injury to patrons. Moreover it has been held that inspections of old or second-hand equipment should be made more frequently than if the equipment is new. However, if the warehouseman makes frequent inspections of the premises, for the purpose of discovering and repairing apparent defects, he is not liable for an injury unless the injured person proves that the defect existed for a sufficient period that by the application of ordinary care it should have been repaired.

For example, in the leading case of *Schnatterer v. Bamberger, et al.*, 81 N. J. Law, 558, a patron sued for injuries sustained from a fall caused by her tripping on a loosened brass edging fastened by screws to the upper edge of a step. In holding the woman not entitled to recover damages, the Court among other things said:

"She had failed to show that the defective condition of the brass edging which she said existed on the night of the accident had either (a) been in fact brought to the previous notice of the defendant [warehouseman], or, failing the proof of such actual notice, that (b) the defect had existed for such space of time before that occurrence as would have afforded the defendant sufficient opportunity to make proper inspection of its stairways to ascertain their condition as to safety, and to repair their defects. In the absence of proof of either, the legal presumption is that defendant had used reasonable care."

It is interesting to observe the distinction made by the Court in the recent case of *Wool v. Kinney*, 169 N. E. 562. In this case a woman was seriously injured when she slipped on a piece of chewing gum which another patron had dropped on the floor. During the trial the woman proved that the chewing gum had remained on the floor for two days and that the proprietor made no inspection of the premises during this period. Therefore, in view of these facts, the proprietor was held guilty of negligence in failing to discover the presence of the chewing gum, because all proprietors of public places are expected by the law frequently to inspect the premises for the purpose of discovering and remedying defects which are

hazardous to patrons. This Court said:

"Gum-chewing is the great American pastime. Used gum is by common consent a great nuisance, though an innocuous one. Not all persons use gum, but all persons are often the victims of used gum. . . . The proprietor of the substance being on the floor on the day of the accident, and this inference must be based upon the first inference that it was the same substance which was on the floor for two days."

Pedestrians

THE rule of law is settled that the traveling public have a right to presume that there is no dangerous impediment in any part of the highway or sidewalk. This principle applies to all interferences by warehousemen with safety of travel arising from temporary uses of the highway or sidewalk. On the other hand, a pedestrian is not entitled to recover damages from a warehouseman where the evidence clearly indicates

Next Month

THE legal problem as to when a customer may rescind a warehouse contract and recover damages will be discussed by Mr. Parker in his next article, to appear in the May issue.

Deliveries to improper parties; liability for stolen goods; violation of storage contracts; liability on blank instrument; validity of liens—these and kindred phases will be considered.

that the injury resulted from negligence by the injured person.

For instance, in *Nerney v. Stanley Fabian Corporation*, 150 Atl. 370, the evidence showed that a woman saw a motor truck standing at the curb. She did not observe that a chute in the sidewalk was open, and she fell into it. She sued to recover damages, contending that a warning should have been given of the dangerous condition. The Court held the injured woman not entitled to damages, stating the following important law:

"We are not unmindful of the line of decisions holding that a person walking along the sidewalk of the public street is not bound as a matter of law to look out for obstructions in the nature of a nuisance; but in the present case that rule is inapplicable, because . . . where the pedestrian had notice of an unusual condition, saw it in fact, and was thereby charged with the duty to exercise reasonable care to avoid injury, cannot be denied that reasonable care required visual scrutiny, and yet the plaintiff said she did not look for any hole at the place in question. It was her duty to do so in the circumstances present."

Icy Sidewalks

USUALLY, where a pedestrian is injured as a result of a defect in a sidewalk abutting warehouse property, the proprietor is not liable, unless the testimony shows conclusively that negligence by the warehouseman in failing to repair the defect was the sole cause of the injury. Therefore, where an injury results from two causes, one of which is negligence by the warehouseman in failing to fill in a depression in which water collects, or remove the ice from the sidewalk, and the other is negligence by the pedestrian, no liability exists.

For illustration, in *Turner v. Winter-set*, 229 N. W. 229, it was disclosed that a depression in a sidewalk occasionally filled with water when it rained, or when snow and ice melted and ran therein. Aside from the condition of this spot, the walks on either side usually were dry. One day a pedestrian slipped on the ice which had frozen in the depression, and fell, sustaining severe injuries. She sued for damages, but the Court held the woman not entitled to damages, saying:

"It seems to be the general rule that where the defect in a sidewalk is so slight as to be harmless in itself, the fact that it concurs with a slippery condition of the walk in producing an accident does not make liability."

Employee Compensation

IN order that an employee recovers damages under the common law, or compensation under State laws, for an injury, he is bound to prove that apparently the injury was sustained in the regular course of his employment.

For example, in *Miller v. St. Joseph Transfer Co.*, 32 S. W. (2d) 449, an employee sued to recover compensation for an injury which he alleged was caused by a bruise received while he was unloading furnaces from a motor truck. The Industrial Commission allowed compensation, but the higher Court reversed the verdict, as no positive proof had been introduced to show that the injury was sustained at the time the furnaces were being unloaded. This Court said:

"The Commission might well have found that the black spot or lump in the palm of the plaintiff's hand was caused by constant pressure and consequent irritation, or from a splinter, rather than from any particular sudden impact of the hand with a furnace or crate."

On the other hand it is important to know that, although an employee does not file a suit for damages, or a request for an award of compensation, immediately after occurrence of an injury, he is entitled to a recovery if the proof shows conclusively that the injury was sustained while he was working within the scope of his employment.

For instance, in the case of *Drecksmit v. Universal Carloading & Distributing Co.*, 18 S. W. (2d) 86, the Court held that a workman might recover for hernia caused by lifting a coil of wire in the usual and ordinary way. In this case the first symptom of the injury was

A Uniform Method of Warehouse Inspection*

Suggested by John L. Tomlinson,
Manager, Miller North Broad Storage Co.,
Philadelphia

THIS is inventory time. Without inventories business men could not prepare accurate financial statements. They might not know whether they made money, or were "in the red." Warehousemen, being good business men, insist on truthful reports of financial condition. So does Uncle Sam and so do your bankers, if you are in the borrowing class.

In recent years, this inventory idea has been extended. Pastors suggest that we check up on our souls; insurance companies urge an annual physical examination; personal efficiency experts want us to start the New Year right by planning personal time budgets; and H. E. MacNiven, field secretary of the National Furniture Warehousemen's Association, says there is much room for improvement in the appearance of many warehouses. He suggests that you "start with the office"—that "if it does not satisfy you, make it clean; give it a businesslike appearance, as it is often the first contact the public has with you." So we have an indirect suggestion for an inventory of our plant from the public's point of view.

You remember the fellow who frankly told a homely girl that her face was a "fright." The girl snapped back, "My face doesn't bother me," and the fellow

answered, "I know, but you're in back of it. I'm the one who has to look at it." Well, we warehousemen are in back of our counters, behind our desks. Now, let's look at our plant from the other side, to make sure that Mr. MacNiven is not knocking us.

Should not each of us make general inspection at regular intervals—say in the lull before the spring and fall seasons? Perhaps we can use a blank, drawn up along the lines of Form A, attached, which, I think, tells its own story. A standard form for the purpose would be difficult, for no two warehouses are alike. I offer Form A merely as a guide, a suggestion.

Some time ago a heating company tried to get its dealers to make an appraisal of the appearance of their shops. Said the sales manager: "The big thing is to make the dealer feel that he is entering a 'business confessional'—that he must tell the exact truth to himself."

You may carry this "business confessional" to your other departments, whether operating, sales, or administrative.

While the periodical general inspection should be made by the principal of the company, daily inspection, to keep our plant in good order, may be made by anyone appointed for that task. For this purpose we offer Form B.

To make the use of Form B clearer,

we have filled in the supposed notations made by the inspector on a given day. One copy should be left with the warehouse foreman—possibly hung on the elevator—and the other retained in the office.

As the warehouseman completes each task shown on the report, he crosses off the item, always working for a completely-crossed-off-by-quitting-time sheet. Next morning the inspector enters on the new day's sheet the jobs on yesterday's sheet which have not been cleaned up, making an "X" after such jobs, to show they are carry-overs.

Notice that space is provided, at the top of the Daily Inspection form, to enter yesterday's lots received, and tear-outs. This gives the inspector a chance to check up on lots as they are stocked; to criticize, if necessary, and to offer suggestions while the job is fresh in everyone's mind. Daily inspections are the owner's assurance that work is being done properly, and is proof to the worker that someone is interested and knows what work is being done.

As I have said, these forms are only suggestions. They may or may not prove helpful, but if they make you think of your business from the customer's viewpoint, that is enough. Let us paraphrase the quotation, "Know then Thyself," to this motto:

"Know then Thy Warehouse and Thy Business."

GENERAL INSPECTION OF WAREHOUSE

A

(This form allows for only one floor of rooms and one floor of open.)
(You should provide one block for each floor in your building.)

EXTERIOR
(Show specifically where repainting needed)

PAINT: Office Front? Window Frames? Cornices? Other places? (Indicate in this window where are broken panes)

WINDOWS: How many bulbs or tubes should be replaced?

SIGNS: WALL SIGNS. What ones need repainting? WINDOW SIGNS. Condition of lettering? Details. What good advertising space is not used?

VEHICLES: Be specific. Include pavement, steps, window and door frames, etc.

GENERAL: Is my building attractive? How can I make it so?

OFFICE
(Note conditions and repairs needed)

FLOOR: Telling? Lockers? Floor? Other Partitions?

FIXTURES: Showers? Curtains? Lighting Fixtures? Office Furnishings? Lobby Furniture?

GENERAL: Is my office neat? Clean? Comfortable for my help? and Customers? What can I do to improve it?

REST ROOM: Neat? Clean and sanitary? Completely equipped?

GENERAL INSPECTION

B

(This form allows for only one floor of rooms and one floor of open.)
(You should provide one block for each floor in your building.)

EXTERIOR
(Show specifically where repainting needed)

PAINT: Office Front? Window Frames? Cornices? Other places? (Indicate in this window where are broken panes)

WINDOWS: How many bulbs or tubes should be replaced?

SIGNS: WALL SIGNS. What ones need repainting? WINDOW SIGNS. Condition of lettering? Details. What good advertising space is not used?

VEHICLES: Be specific. Include pavement, steps, window and door frames, etc.

GENERAL: Is my building attractive? How can I make it so?

OFFICE
(Note conditions and repairs needed)

FLOOR: Telling? Lockers? Floor? Other Partitions?

FIXTURES: Showers? Curtains? Lighting Fixtures? Office Furnishings? Lobby Furniture?

GENERAL: Is my office neat? Clean? Comfortable for my help? and Customers? What can I do to improve it?

REST ROOM: Neat? Clean and sanitary? Completely equipped?

DAILY INSPECTION

B

ONE COPY FOR OFFICE - ONE FOR WAREHOUSE FOREMAN

LOTS RECEIVED YESTERDAY: 2321 (400 cu ft) 3rd floor - 2322
Rugs for rug room - 2324 (800 cu ft) 5th floor

ACROSS YESTERDAY: 1972 - 2103 both 2nd floor

WORK FLOOR (Open)

NORTH AISLE: 2320 not stacked X Sweep. Replace bulb + replace in place

SOUTH AISLE: Straighten front of Lot 2381 Put fire tank back in place

REST ROOM (Vault)

NORTH AISLE: Put 2103 tank out back in 500 cu ft room Sweep

SOUTH AISLE: 2324 stacking not completed

SPECIAL ROOMS

REST ROOM: Dress 3 trousers Straighten aisle

TOILET ROOM: Sweep up Campbell

LOCKER ROOM: Put 1938 back on shelf being clean material room

SWEEP elevator pit Clean office windows Clean wash bowls in men's room

Warehouse inspection forms described here by Mr. Tomlinson

Keynote and Highlight

Random Writings
by the Editor

Competition On Waterways

APROPOS the "free storage" situation along the waterways, the 1930 convention of the New York State Warehousemen's Association was one of those rare occasions when this present writer arises laboriously, though sincerely, to make a public speech. Last June we told the New Yorkers about Government-owned Inland Waterways Corporation's free and less-than-cost storage practices at Mississippi and Ohio river ports. We urged the New York association to back the American Warehousemen's Association in the latter's fight to have the Interstate Commerce Commission compel the Federal barge lines agency to charge storage rates commensurate with those charged at the ports by commercial warehouse companies.

New York State is far removed from the inland situation, but this writer suggested to the New Yorkers that if the Inland Waterways Corporation got away with it and if eventually the New York State Barge Canal was turned over to Government ownership, it was logical that the New Yorkers would be up against the same problem as that confronting their storage brethren in Memphis, New Orleans, and other cities.

The speech was rewarded with silence. Just a bit piqued by this negative reaction, we again climbed to our feet and further orated, expressing our personal conviction that the A. W. A. was entitled to the New York State organization's moral support in its struggle to end iniquitous competition. Whereafter P. L. Gerhardt, now no longer identified with warehousing, suggested we were right, and a resolution backing the A. W. A. was adopted.

All this is history, but recalling it here is timely—for warehousemen in New York State are now up against the very competition which we suggested might eventuate. The Warehousemen's Association of the Port of New York—one of the organizations which comprise the State association—has been informed that merchandise is being stored on New York State Barge Canal piers, in competition with established warehousing. The Port association's

president, H. E. S. Wilson, has tried unsuccessfully to have the Barge Canal authorities cite that part of the canal Act under which they feel privileged to do such storing. Up to March 13 his request for such a citation had met with no response.

Which is an indication that this barge lines competition is not the problem of one section of the country alone. A Government agency has been competing along the inland rivers. Now a State agency competes along a State canal. Unless checked, the practice will, inevitably, spread wherever navigable waterways flow through industrial districts where tonnage is handled.

This is a national problem, affecting merchandise warehouses generally, and if the I. C. C. turns down the A. W. A.'s contention that the Inland Waterways Corporation has violated the Interstate Commerce Act, thus compelling the A. W. A. to seek relief through legislation in Congress, it is clearly up to all the industry's trade association to unite in an effort to end continued Federal and State competition.

"What Price Warehousing?"

A TRAFFIC department executive—none other than John Simon, distribution manager of the Keystone Steel & Wire Co., Peoria, Ill.—offers an intelligent explanation as to why merchandise warehouse rates vary, and we have the thought that warehousemen would benefit if they would have Mr. Simon's words reprinted and send the reprints to their customers and prospective patrons.

"Perhaps," to quote Mr. Simon in his *Distributors' News*, "you have compared the rates of one warehouse with the rates of another and it is probable that you have suspected that the lowest-priced warehouseman is a fool and the highest-priced a profiteer."

"The main reason why such disparities are difficult to understand is that the manufacturer or national distributor does not take into consideration the various elements that formulate the basis of warehousing costs."

"If as an experiment the manu-

facturer or national distributor would visit two or three warehouses that store and ship his products and could actually see how his goods are handled, could see the kind of storage facilities allocated to his product and see the dispatch—or lack of dispatch—with which his orders are shipped and the courtesy—or lack of courtesy—shown to his customers or truck drivers when they call at the warehouse, he could readily account for several different rates. *He would then not observe the low rates as much as the quality of service rendered.*

"Except in rare instances, warehouse services cannot be standardized. Each distributor has his own peculiar requirements, his own ideas about storing and shipping his products; consequently *he should be willing to pay a reasonable rate commensurate with the services he requires.*"

The italicized texts are the ones which should be emphasized by warehousemen in their sales correspondence with shippers.

Mr. Simon states that what he says "is intended to outline a generally constructive course of reasoning in connection with the story of warehousing." Inasmuch as he is president of the National Distributors' Association and himself a large user of warehouses, his timely philosophy will be voted approval by public storage executives.

Motor Truck Regulation

ON THIS subject, the warehouse executive who has read of the discussions in Congress and has followed closely the I. C. C. inquiries of the past few years must anticipate that interstate motor vehicle transportation is going to be regulated, either by the Federal body or by State commissions or jointly. Trends indicate that it is inevitable.

Whatever may be the merit of the trucking industry's opposition—and the industry is not by any means unanimous in disapproving—it must be conceded that the railroads have presented one potent argument. They contend that truck and bus competition has taken away so much freight and passenger revenue that railroad securi-

ties will be threatened with depreciation unless regulation checks the competition.

Putting aside any consideration of politics and "railroad influence" at Washington, this argument is certain to operate importantly as a factor toward whatever decision is to be reached by Congress and the I. C. C.

It is interesting to observe that certain spokesmen for warehousing are endeavoring to be fair to the railroads. We should not lose sight of the fact that "the railroads, and their prosperity and success, are entwined into the very fabric of American business life," Martin H. Kennelly, president of the National Furniture Warehousemen's Association, said in his acceptance speech at San Antonio, "and that any attitude or any policy that shippers adopt or that the Government itself adopts, on transportation, should always take into consideration the interests and well being of the railroads." And H. B. Whipple, at the Atlantic City convention of the American Warehousemen's Association, declared that "warehousemen should be interested in helping the railroads, even though many of them are also in the trucking business," as "a breakdown of the railroads would be a serious calamity."

If warehousing decides to oppose Federal or State regulation of truck transportation, it must be on some ground more intelligent than that truck hauling by the railroads is interfering with warehousing. Argument such as that will not carry a great deal of weight with Congress and the I. C. C.

Publishing a Magazine

ROBERT H. BEAN, executive secretary of the American Acceptance Council, told assembled storage executives at Atlantic City: "Be warehousemen and let bankers be bankers."

This sound counsel might with equal timeliness be conveyed to warehousing, and to all other industries, by business journal publishers. To paraphrase:

"Be warehousemen and let publishers be publishers."

This present discussion is inspired by a letter received the other day from a director of one of warehousing's trade associations. He explained that the organization was considering a plan to issue a monthly magazine. The phraseology of his inquiry indicated that he was not himself "sold" on the idea, and he wanted our suggestions, if any, for the consideration of the other directors.

We replied to the point, and the summary of our response was not founded on encouragement of the idea. In part the reply reads:

"If the Association enters

the magazine publishing business, we wish it the best of luck. We hope its survives the attendant trials and griefs and tribulations, Post Office red tape, unpaid advertising accounts, etc. We hope you have (1) either a warehouse executive with ample spare time on his hands to solicit advertising, write stories, read proof, collect bad bills, answer readers' questions, boost circulation, etc., etc., or (2) that you have sufficient money in the treasury to engage a salaried man to do all those things and numerous others. And with a circulation ranging from 75 to several hundred [such was the circulation anticipated by the director who wrote], he has got to be a glib talker to sell advertising on any other basis than a desire on the part of the advertiser to contribute to the welfare of the association.

"In all the industries there are probably only a few association magazines which are published with profit, and it is a safe bet that they are national associations in industries so great that worthwhile circulation is assured—and, without such circulation, advertising cannot be merchandised on a sound and permanent basis. . . .

"If a majority of the Association directors want to try the experiment, let them go to it, but certainly our experience in publishing—and our observation of associations' attempts along the same line—do not incline us to predict rosy returns."

Magazine publishing is no business for a State or local association. It is any such association's privilege to try it if its directors so vote, but to expect to do it with a profit is futile. The hazards are too numerous and the drain on the treasury will be terrific.

Issuing a periodical bulletin, monthly or weekly, is "something else again," as one of Montague Glass' fictional characters used to say. Every association should have one, for it solidifies the spirit and morale of the members and encourages membership. And we offer unhesitatingly, as the breeziest and most informative warehouse association bulletin appearing today, the weekly product of Frank Johnson, secretary of the Texas W&TA. Have Frank mail you one of these Lone Star State warehousing newspapers which is welding and building the Texas association.

New Haring Book FOR THE to Appear Soon warehouse executive

seeking accounts of distributors with which he has not yet established contact, here is an announcement which will intrigue his immediate attention:

The first fifty articles of H. A.

Haring's "New Business for Warehouses" series will shortly appear in book form—published by Distribution and Warehousing Publications, Inc., publishers of *Distribution and Warehousing*.

It was in November, 1925, that the first of these "New Business" texts appeared in *Distribution and Warehousing*, and without interruption they have been running, monthly, since. At first they were published anonymously, as Mr. Haring, having already started his "Distribution" series in this magazine, had the reserved opinion that "too much Haring" would not reflect sound editorial policy. But right from the start the "New Business" articles made a distinct impression on the industry; and, as time went on, the requests for earlier issues containing them could not be filled and so the articles were reprinted and the reprints were made available when asked for. Even these did not meet the demand—but their popularity meanwhile had impressed *Distribution and Warehousing* with the thought that writings so useful should not appear unsigned, and Mr. Haring was prevailed on to permit disclosure of his authorship and the use of his name over the subsequent articles.

The fifty articles covered a wide range of industries, and gave specific advice and suggestions many of which have, to *Distribution and Warehousing's* knowledge, been accepted and adopted by storage executives watching for opportunities to build new profits along hitherto untrod avenues of approach to the sanctums of sales and traffic managers many of whom knew little about the warehouse method of distribution.

And now these first fifty articles are to be made available in book form. Mr. Haring has in recent weeks been editing them in such a way that they have been revised and brought up to date to correspond with the changed conditions in business and industry during the past five years. Such labor was essential in the light of the recognized evolution in merchandising and distribution.

The edition of "New Business for Warehouses" will be limited and orders should be placed immediately with *Distribution and Warehousing*. The book will contain approximately 300 pages. The price has purposely been put low—\$3—as it is being published not with a view to profit-making but as part of *Distribution and Warehousing's* continued effort to do constructive things for the industry which it serves.

Payment should accompany all orders and reservations. Delivery is expected to be made about May 1.

—K. B. S.

Cutting the Corners in a Small Town Warehouse*

By John G. Petritz,

President Rockford Storage Warehouses, Inc.,
Rockford, Ill.

THERE is probably no business which pays so little for work done and for responsibilities assumed as the small town warehouse business. This condition is pretty much due to the operators of warehouses themselves, for they greatly fear competition and know little concerning warehouse operation costs.

A successful storage warehouse must first have a sufficient volume of business at proper rates. Given this sufficient volume, the operations must be efficient and economical. The few suggestions given in this paper have to do with activities and appliances that the writer believes make for more efficient operations at considerable savings.

Probably the one thing that pays the greatest dividends in the warehouse business is cleanliness. The work of keeping one's place clean is purely unproductive work and if done during the daytime should be done by inexpensive help. In some cases the cleaning and policing work can be done at night by the night watchman. Let me here pause to give my ideas concerning the type of person a warehouse night man should be.

First, he should not be a real young man, for obvious reasons, nor should he be so old that he cannot do anything else but punch a clock and rest between rounds. All things considered, particularly the responsibility entrusted, a great deal of time, investigation and study should be given in selection of your night man. He should be middle-aged, thoroughly honest, industrious, intelligent, and conscious of his responsibility; in fine, he should be considered a night superintendent. Usually such a man can be obtained for \$30 to \$35 per week.

Our night man makes the rounds

hourly; cleans up both the exteriors and interiors of our buildings; reports defects in windows, doors, roofs, locks, plumbing and heating; cleans the boilers; keeps all sewer openings clean; and keeps a record of all persons who come to and go from the warehouse during the night time. He is, of course, familiar with the sprinkler valves, the location of extinguishers and the fire alarm box. During certain seasons we have him paste mailing addresses on catalogs. It is not fair to put heavy work on a night man, but it is well to keep him busy between rounds with a schedule of light jobs.

Before making mention of certain worthwhile appliances recommended for warehouses, let me here state emphatically that it is poor economy to put off making necessary repairs, as sooner or later such negligence is going to cost plenty. Particularly do I refer to leaky roofs, broken windows and doors, leaky faucets and toilet tanks, holes and uneven places in floors and platforms, and defective warehouse equipment. Remember, anything worth having is worth taking care of, and repairs should be made before great damage results.

All warehouses are users of electricity, water and heat. Most warehouses have tenants who use all or some of these items. With the exception of heat and water for toilet room purposes, our company sets meters for all electricity and water used by tenants. In the case of electricity, the more used the cheaper the rate. In the case of our company, by setting meters and sub-letting electricity we make approximately \$75 a month, or more than enough to pay for our own consumption. The sub-letting of electricity is now very much frowned on by utility companies and may not be possible in all cities.

In furnishing space with heat, we

charge from 6c. to 10c. per square foot per year for this item, according to the area to be heated and the temperatures to be maintained. It might be well here to dwell on one very fine appliance for most warehouses, and that is an automatic stoker for the boiler. Such an appliance will not only save a great deal of money but will give uniform heat, and only when needed. In the event that you have a steam boiler, an automatic stoker to fire your boiler and an automatic vacuum pump to bring back the water to the boiler make a most economical heating set-up.

Satisfactory heating is a great sales argument to use in soliciting space tenants or clients whose merchandise must be kept warm.

Handling

Most warehouses use four-wheel and two-wheel trucks. In the replacement of your present equipment or the addition thereto, I emphatically recommend the use of trucks having roller or ball-bearings as compared to the old plain bearing type. The ease of operation of the roller or ball-bearing equipment will not only appeal to your men but will soon pay for itself in the amount of work done. We have for many years used some lift trucks with platforms. During times when we had ample space we have found this equipment economical in the handling of sugar, flour, and one or two other items which move in and out in large quantities. The use of platforms decreases storage capacity about 33 1/3 per cent and of course platforms should not be used when your house is congested, particularly with slow moving commodities.

Certain heavy articles, as newsprint, calcium chloride and other dry chemicals, have to be piled two high in the warehouse and often come decked two high in cars. In unloading cars we aim not to let such heavy commodities down in the car so that we would have to raise them again in the warehouse, but rather by means of lift trucks and one or two specially elevated platforms we keep such articles, as it were, "in the air." After all it is foolish and costly to lower an article weighing a quarter of a ton or more and then a minute or two later have to elevate it. We also have a hand portable elevator, but find its operation too awkward and slow for the piling of the usual warehouse heavy commodities.

Some warehouses have a switchboard with 'phones located in various places about the premises; some have no sys-

*Paper read at East St. Louis meeting of Central Warehousemen's Association of Illinois.

Handwritten Memorandum

From Rockford Storage Warehouses, Rockford, Ill.

Gentlemen:		Subject:	
DATE		No. 315	
TIME OF CALL		PHONE	
ATTENTION TO		PARTY CALLING	
ADDRESS		ACCOUNT	
DELIVER TO		ORDER NO.	
RE		REMARKS	

JOB TICKET			
ROCKFORD STORAGE WAREHOUSES			
Name	Address	Remarks	
No.	City	Date	
Day	Hour	Stop	
AM	START	STOP	

Telephone memorandum and job ticket forms suggested by Mr. Petritz

tem of communication to its employees. In either case a great deal of time and money will be saved by the installation of an electric code call system which can be equipped with horns or gongs or both. By means of such a system, service to your customers who call for goods at the warehouse can be greatly improved. A good Kode Kall system can be installed for less than \$100.

Compressed air has many uses around a warehouse. It is necessary for a dry sprinkler system, and can be used in the washing of cars and trucks, the inflation of tires, the cleaning of motors, the blowing of furs, the removing of dust from furniture and pianos, the spraying of paint, the application of Konate and other insecticides, and the cleaning of the uniforms of employees after handling such commodities as flour, etc. In selecting a compressor, pick out one which has cleaning and washing attachments.

To warehouses operating many trucks and located on tracks, consideration should be given to the purchase of a storage tank large enough to hold a car of gasoline. Our cartage income is less than \$2,000 a month and yet we save better than \$50 a month by pur-

chasing gasoline in carload quantities.

To those of you planning new buildings or additions, let me recommend quick-opening and easily-operated doors; they will soon pay for themselves in heat saved and in goods not stolen by truck drivers who come to your platforms.

Push button controlled elevators with leveling devices and having a speed of not less than 85 feet a minute are expensive but really economical in the handling of goods in a warehouse.

Forms

Attention should be called to certain printed forms which will do much to save time, avoid misunderstandings, and help to give more satisfactory service—all of which means more money to the warehouseman. These forms are as follows:

1. Telephone blank, to record 'phone orders as well as numbers to be called by some one absent from the office. These blanks are simple, inexpensive, and much more satisfactory than using old scrap pads.

2. Handwritten memorandum pads, for correspondence between departments and between customers when sending in

delivery tickets and reports. There are many times when a handwritten memorandum will serve better than a type-written letter, especially as it can be filed with the reports and delivery tickets about which the memorandum is written.

3. Job tickets, to be filled in by the warehouse employees. These are essential in the proper conduct of business. From such tickets very valuable data can be obtained. When it is known that few warehouses show a profit on labor, some idea of the importance of job tickets can be obtained.

Many warehouse concerns are anxious to do a big business at any cost or price, with the result that after a year rolls by there is little, if any, profit to show for twelve months of responsibility and hard work. It is to be hoped that the time may soon come when each phase of warehouse activities will not only stand on its own feet, but will show a reasonable profit. Warehouse labor and cartage rates are the departments which need the most attention and improvement. It is hoped that the suggestions in this paper will help toward making your labor and cartage items more profitable.

Chelsea Company of New York Performs Gigantic Moving Job for the State

ONE of the largest contracts ever handled by one warehouse firm without subletting was the moving of all of the New York State Department offices in New York City from various scattered locations to the new State Office Building at 80 Centre Street. Within four weeks thirty-seven departments, comprising more than 125 divisions, averaging from 3 to 230 loads per division, were moved to the new quarters by the Chelsea Fireproof Storage Warehouses, Inc., under the personal supervision of the company's president, Louis Schramm, and other members of the firm. For each department, depending on its size, the job necessitated the employment of from 50 to 200 men.

Through the use of a comprehensive color scheme for tagging furniture and equipment it was possible to make simultaneous removals of several departments on the same day without danger of confusion of the equipment belonging to any one department with that of another.

Particular attention was centered on the removal of the State Labor Department and the handling of its 1,400,000 files, this being accomplished without the loss, upset or mislaying of a single file. By the moving of these files in their serial order, the Labor Department was enabled to function daily without interruption or the loss of any time.

The equipment employed, all of which is owned by the Chelsea company, with

its name plainly stenciled on all articles, was as follows:

Twenty closed and locked pneumatic-tired motor vans, well padded and having a large supply of sanitary pads to protect furniture while in transit. The vans were thoroughly cleaned each day before going on the job.

Three hundred roller bins with covers and locks to protect valuable papers, records, etc., while in transit and while waiting to be unpacked and placed in their proper files.

Ten thousand book boxes made espe-

cially for carrying books, records, files.

Four hundred rubber-tired dollies to protect floors, marble sills, etc.

In addition to the Labor Department, the following State commissions and departments were moved to their own quarters in the State Office Building:

State Architect; Department of Public Works; National Guards; Naval Militia; State Insurance Department; State Banking Department; Prison Parole Board; State Athletic Commission; State Social Welfare Department; Adult Education Department; State Board of Health.



Chelsea's vans removing 1,400,000 files

FROM THE LEGAL VIEWPOINT

By
LEO T. PARKER

Common Carrier Certificates

IT is well settled law that a firm which performs long distance hauling exclusively for one or two firms is not legally a common carrier and, therefore, cannot be required by a Public Utilities Commission to obtain a certificate to conduct its business. However, where such hauling is being done for many different firms, although in connection with its regular city business, it is classified as a common carrier and required to apply to the Commission for permission to operate its business.

For instance, in *Public Utilities Commission v. Joseph Minniear & Sons*, 174 N. E. 1, testimony was given which proved that the Joseph Minniear & Sons Co. had been in the trucking business for several years. The firm employs four motor trucks and is doing 40 per cent of the trucking business in the city. Although not advertising for business, either local or long distance, it has concededly built up a large local business by its willingness and readiness to serve the people. The firm has also been conducting a rather extended long distance hauling business from the city to various points and vice versa. This long distance business has been obtained, just as has its local business, not by reason of advertising or direct solicitation but by gradually developing its equipment and readiness to serve the public in that respect also.

A State law requires trucking companies to obtain certificates when engaged in the business of long distance hauling. The Public Utilities Commission filed suit against the company either to compel it to obtain a certificate or to cease its long distance hauling operations.

The trucking company contended it should not be compelled to secure a certificate because its long distance hauling was only casual and done exclusively for persons for whom it transported goods within the city. Notwithstanding this argument the higher Court held the trucking company required to obtain a certificate, saying:

"Defendant is not relieved . . . by reason of the fact, as claimed by it, that thus far its long distance hauling has been only for those who are its local customers or business connections or friends of local patrons. If available for hire to transport to out-of-the-city points goods generally for its local customers, who furnish 40 per cent of the entire trucking business done in the city, and

in addition thereto all that may be desired by the friends and business connections of its local customers, its long distance hauling cannot be regarded as casual."

Contract May Add to the Liability

A MOTOR truck owner may make a valid contract which relieves a patron, for whom hauling is being performed, from damages for injuries arising from operation of the truck. However this does not result in the truck owner being liable for the negligence of the customer or his employees.

For example, in *Motor Service Co. v. Grasselli Chemical Co.*, 131 So. 623, a

Your Legal Problems

MR. PARKER answers legal questions on warehousing, transfer and automotive affairs.

There is no charge for this service.

Write us your problems. Publication of inquiries and replies gives worth-while information to you and to your fellows in business.

truck owner named Peters and a chemical company entered into a contract, as follows:

"In consideration of any contract hereafter to be made and entered into with me by The Grasselli Chemical Company, a corporation of Ohio, for transportation of its goods, employees, etc., by one or more of my auto trucks, or teams and wagons, or for the use and operation or hire of one or more of my auto trucks, or teams and wagons, with the services of a chauffeur, I hereby agree to hold and save The Grasselli Chemical Company harmless from any loss, damage or liability which it may suffer by reason of the use, maintenance or operation of said auto trucks, teams or wagons, or by virtue of any accident or injury involving the said trucks, or teams and wagons, or services of the said chauffeur; and I further agree to protect ourselves and the said The Grasselli Chemical Company by carrying liability and property damage insurance on said

trucks or teams and wagons in the amount of \$5,000."

One day one of Peters' trucks was loaded with drums of sulphuric acid which, on orders of The Grasselli company, was being transported to a steamship wharf. As the truck was on its way to the steamship landing the iron bung in one of the drums in some manner came out and large quantities of the acid shot into the air and fell on an automobile which was following the truck. The acid burned much of the paint from the automobile and practically ruined the top, the upholstery and the linoleum forming part of the running boards.

The owner of the automobile sued the chemical company and Peters for the resultant damages. The chemical company contended that Peters was solely liable because he had signed the foregoing contract.

During the trial it was proved that either the bung was defective or was not properly screwed in. Therefore, as actually the injury was caused by negligence of the chemical company, the Court held the latter solely liable, and relieved Peters from liability, saying:

"That the drum of sulphuric acid, at the time of the accident, was not under the immediate control of the Grasselli company, we believe to be unimportant. . . . It is very evident that the contract has no application to the situation which existed here. The intention of the parties thereto was that Peters should indemnify the Grasselli company against any loss which might result from his negligence, which, if suffered by third persons, might be legally chargeable to the Grasselli company. Here the negligence was wholly chargeable to the latter company, and Peters was in no way responsible either directly under the indemnity contract above set forth."

Injury to a Pedestrian

IT is important to know that, although a warehouseman, or other owner of motor trucks, obtains a permit from a city to use its streets, the former is not relieved from liability in damages for any and all injuries negligently effected persons or property.

For illustration, in *Rogge v. Cafiero*, 131 So. 207, it was disclosed that a woman stepped on a cable being used by a transfer company to pull a heavy engine along the city streets. Suddenly the cable became taut, and she was

thrown forward and seriously injured. She sued the transfer company for damages. The counsel for this company contended that the woman was not entitled to recover damages because the cable was plainly visible and that she was negligent in stepping on it. However, the Court held the transfer company liable, saying:

"Plaintiff had the right to cross the street at the usual place, and to expect that it was safe to do so, and not rendered dangerous by the sudden movement of this line. The defendant [transfer company] should have covered it up so as to make it safe to step over before the accident."

Also, in *Palermo v. Orleans Co.*, 130 La. 833, it was shown that a company realized the danger it had created in a street and had placed a watchman there to guard the people against it, but the watchman neglected his duty and injury resulted to a pedestrian. The Court held the latter entitled to recover damages.

Liability for a Driver's Faults

IT is the duty of every person operating a motor vehicle on the highways to drive in a careful and prudent manner and to exercise a high degree of care. Under all circumstances a warehouseman is liable in damages for injuries negligently effected by the driver of a motor truck. An example of negligence is found in the late case of *Brown v. Adams Transfer & Storage Co.*, 31 S. W. (2d) 117.

The facts of this case are that a passenger vehicle was driven carefully under a bridge, and when it emerged a warehouseman's motor truck traveling at the rate of 25 miles an hour collided with it.

The warehouseman was held liable for the injury sustained, and the Court instructed the jury in the following words:

"If you find and believe from the evidence that said defendant [warehouseman] through its agent, servant and employee, acting within the scope of his employment, negligently drove said automobile at said time and place at a high and dangerous rate of speed . . . negligently failed and neglected to sound any horn or give any warning, if you so find said automobile collided with the automobile in which plaintiff was riding, and that as a direct result thereof plaintiff was injured, then your verdict must be for the plaintiff."

Lawful Speed in Congested Area

ON the other hand various Courts have held warehousemen not liable for injuries effected by motor trucks when the testimony fails to indicate conclusively that the driver was negligent in causing the injury. Therefore it is important to know the rate of speed at which the driver of a motor vehicle may travel through congested traffic without being negligent.

For instance, in *Dobrowolski v. Hen-*

derston, 130 So. 237, a pedestrian was injured in the congested district of a city when a motor truck traveling fifteen miles an hour collided with her. She sued the owner of the truck for damages on the contention that the driver was negligent in traveling at this speed. However, the higher Court held the owner of the truck not liable, saying:

"A rate of speed of fifteen miles per hour, even in congested traffic, will not be considered careless and reckless driving. At such speed, an automobile can be kept under control and handled to meet almost any reasonable emergency."

Assessment Held Valid

AS a general rule an assessment against property abutting a city street is not void on the grounds that money was paid for the street improvement, prior to the assessment notice, by either the city or other person, firm or corporation.

For example, in *Ballard Storage & Transfer Co.*, 233 N. W. 861, it was disclosed that a city undertook to widen a street and in proceedings under its charter assessed the cost thereof against the property of the Ballard firm. Counsel for the storage company contended the assessments were illegal because the whole cost of the improvement was paid to the city by the county before these assessments were levied, and that consequently the city could not assess the property.

It is interesting to observe that the trial Court found against this contention, for the reason that the money paid over to the city by the county was not intended as an outright payment of the cost of the improvement, but was an advance made to the city by the county, of the necessary money paid for the property taken in the condemnation proceedings. The higher Court sustained the verdict, saying:

"Upon all the evidence we think that the trial Court was justified in deciding that the money received from the county in excess of the net cost to the city of the improvement was an advancement and not an outright payment. It matters not what we call this arrangement, so long as the funds were subject to the readjustment between the county and the city."

Carrier's Duty to Supply Cars

GENERALLY speaking, the duty of the railroad as a carrier of freight is confined to taking up or setting down freight along its route, or more exactly beside its track as constructed. Usually it cannot be compelled to perform shunting service over the private spur of a shipper, because it cannot be compelled to haul beyond its own rails unless it voluntarily contracts to do so, or unless it undertakes to perform such service generally. Under the latter circumstance it must perform this service for

all shippers indifferently and at reasonable rates. Moreover, although a railway company and an industrial company, which owns a switch, make a contract by the terms of which the railway company agrees to supply cars on the switch, this contract does not bind the carrier to perform this service for a warehouseman who subsequently purchases the switch.

For illustration, in *Milford Co. v. Boston & M. R. R.*, 151 Atl. 336, it was disclosed that a company entered into a contract with a railway company whereby the latter agreed to place cars on the former's switch for loading purposes. Another company purchased the switch, and litigation developed when the railway company refused to place cars on the switch. The purchaser of the switch filed suit, contending that the railway company was discriminatory in its failure to fulfill the contract which it made with the former owner of the switch. But the Court held that, under the circumstances, the refusal of the carrier to place cars on the switch was not discrimination. This Court said:

"Receiving and delivering freight upon such spur track is, therefore, purely a matter of contract, to which either party may attach any condition desired. . . . There is absolutely no evidence whatever in the present case of a general undertaking on the part of the defendant [railway company] to perform switching service on a shipper's premises unless the shipper has entered into the customary side track agreement. The plaintiff [purchaser] did not succeed to the rights of the Lovejoy company [original owner] under that company's agreement, nor did it enter into any written contract with the defendant on its own behalf."

Obstructions on Sidewalks

THE law is well established that a warehouseman may be held liable in damages for an injury caused by obstructions placed or allowed to remain on the sidewalk in front of the warehouse property.

For instance, in *McCartney v. City of St. Paul*, 233 N. W. 465, a property owner permitted a mat to lie on the sidewalk. A pedestrian, who stumbled over the mat, sued to recover damages for the injury sustained.

During the trial the pedestrian proved that the mat had lain on the sidewalk for 36 hours without being removed. As this period of time was considered sufficient for the property owner to have discovered its presence by using due diligence and care in inspecting the premises, the higher Court held the pedestrian entitled to a recovery, saying:

"The mat which plaintiff stumbled on was . . . at the most advantageous place to afford such protection. It had remained there for at least 36 hours. . . . Taking all of the evidence into consideration, the jury was justified in concluding that the presence of the mat in question was attributable to one or

more of the conditions. . . . An abutting owner may be held liable for injuries sustained because of the dangerous condition in a sidewalk in front of his premises where his negligence is properly established."

Assault, Battery

FREQUENTLY warehousemen have occasion to eject disorderly or undesirable patrons and other persons from warehouse buildings. Ordinarily a warehouseman is not liable if he first requests the disorderly patron to leave. Then, if the person refuses to leave in an orderly fashion, the warehouse owner, his manager, or employees may without liability use the amount of force reasonably necessary to eject the patron.

However it is important to know that the warehouseman may be liable in damages if undue force is exerted in ejecting a patron or other person, or if assault and battery is exercised.

An assault is an unlawful attempt, coupled with a present ability, to commit a violent injury on the person of another. A battery is any willful and unlawful use of force or violence upon the person of another. See *Bethurum v. Krumm*, 292 Pac. 287.

Pilferage Liability

LEGAL EDITOR, *Distribution and Warehousing*: We received a shipment of import merchandise by water for distribution which included a number of orders, some for local delivery and some for reshipment. One of the local orders was later found to be short part of the contents of a bale of baskets. The shortage could not be detected without unpacking, as the bale showed no visible sign of pilferage. We took no exception at the dock, and the dealer also receipted to us without exception. He later filed claim for the shortage, and the importer, in turn, entered claim with the steamship company, who rejected it on the ground that they held a clear receipt from us and that pilferage could have occurred while goods were in our possession. The importer then filed claim with us for half the loss and presumably hopes to collect the balance from the steamship company. What is our legal liability?—*Holman Transfer Co.*

Answer: The latest case on this subject is *Klugman v. Oceanic Steam Nav. Co.*, 42 F. (2d) 461. In this case the owner of goods sued a common carrier, a truckman and a warehouseman for the value of merchandise which the former proved were stolen from the crate while the shipment was either in transit or in the warehouse.

Prior to the discovery of the shortage, the shipment had been in the custody successively of the common carrier, a truckman and a warehouseman.

The box had been covered stoutly with canvas prior to shipment, and care-

ful scrutiny revealed that the canvas on the bottom had been cut and neatly restitched. The reasonable inference is that the thief extracted the merchandise by cutting the canvas and removing the bottom boards.

In holding the warehouseman solely liable, the Court said:

"In my opinion, no case has been established against either the truckman or the carrier, the two defendants which resisted liability. . . . The final custodian who has received the goods in apparent good order, without noting any defect, should not complain if an unexplained loss is attributed to him rather than to prior custodians; in many cases a careful inspection by him at the time the goods were turned over to him would have revealed the defect, if any then existed, and would have saved him from liability."

The foregoing higher Court case was decided during the past few months and it is quite apparent that where loss, theft or injury to goods is not evident from an external examination of the package, the Court implies the last custodian to be liable. Obviously the warehouseman may prove that the crate was in bad condition when he received it and thereby relieve himself from liability.

The Mortgagee's Responsibility

LEGAL EDITOR, *Distribution and Warehousing*: Household goods were deposited on July 23, 1927, and small payments were made from time to time on storage. Nevertheless a considerable balance was overdue when the mortgagee notified the warehouse of the mortgage on Aug. 30, 1929, and the warehouse reported that on that date \$100 was overdue on storage.

During the next year \$56 was paid on the account. Meanwhile storage was accumulating at the rate of \$5.50 per month and no further payments were made after April 21, 1930, so that the total accumulated storage is approximately \$150. The warehouse has notified the mortgagee from time to time of the storage account, and has used every effort to collect from the depositor. Now the mortgagee abandons his claim to the property, which under the present depreciated price of second-hand household goods will probably not bring enough to pay the expenses and storage charges. Is the mortgagee responsible for the amount over and above what the goods sell for?—*Arlington Storage Warehouse.*

Answer: The mortgagee is liable for the amount over and above what the goods will sell for providing he expressly or impliedly agreed to pay the storage charges. Also, one Court held that consent on the part of a mortgagee to permit the warehouseman to store the goods resulted in his liability for storage charges.

In *Romain Blakeslee Trading Blakeslee's Storage Warehouse v. Furgrimson*, the holder of a chattel mortgage knew the goods were stored in a warehouse

and filed a bill in Court to take possession of the goods. The Court held that his acts plainly indicated a purpose to take control, management and possession of the goods, and he was liable for the accumulated storage charges.

However, in *Driggs v. Dean*, 167 N. Y. 121, it was held that the mere fact that a person has a mortgage on goods stored does not make him liable for the storage charges, but from the time his conduct indicates an intention to take charge of the goods, he is liable for the storage that later accrues.

Unpaid Charges

LEGAL EDITOR, *Distribution and Warehousing*: On Jan. 23, 1931, we wrote to you concerning goods belonging to Jesse Hawkins and Edward Hetrick, placed in storage by Constable Joseph Demma, agent for Addison Grubb. To this you gave a prompt and satisfactory reply.

Assume that nothing is paid, that the goods would bring about \$500 at public auction, but that the owners think they are worth about \$3,000 to them. Assume that after several years the owners would want to remove the goods and the charges at that time would amount to about \$3,000, and that we would not permit the owners or anyone else to remove the goods until all our charges were paid. Could the owners or anyone else get possession of the goods by legal proceedings without paying our charges?—*Harrisburg Storage Co.*

Answer: The answer to your legal problem depends on the present legal status of the parties. In other words, if you should litigate the case at present and the Court should decide that, under the circumstances, the constable is responsible for payment of the charges, and a judgment was rendered against him, it would be your duty to turn the goods over to the owner immediately. If you retained them in storage afterwards, without consent of the owner, you could not recover storage charges. Your proposition presents complications, as previously fully explained, which makes it rather impossible for me to anticipate with certainty the outcome of the suit. Possibly the constable may be held liable since actually it is by his orders that the goods were accepted by you for storage.

Commission Regulation

LEGAL EDITOR, *Distribution and Warehousing*: Last week one of our drivers was arrested and a charge placed against us for hauling freight to a set terminal without a permit. Inasmuch as all of the freight we handle originates from our own warehouse, and because of the fact that we have entire control of the shipments and are fully responsible for them until we receive signature of the delivery, we maintain we are not a common carrier. The shipments on this particular load were all prepaid,

and we must invest our money in them without remuneration.

Our contention is that, as we pay taxes to the State of Michigan for operating our trucks upon its highways, and, because we are not in any way soliciting any outside business, the State of Michigan cannot and should not dictate to us where, how, and when these trucks may be operated on the said highways. Have you anything to offer in a case of this nature?—*Columbian Storage & Transfer Co.*

Answer: In the case of *Michigan v. Duke*, 266 U. S. 570, a motor truck owner was engaged solely in transporting goods for three different firms from Detroit to Toledo, Ohio. The Court held the Commission without jurisdiction, as the motor truck owner was hauling exclusively for these three firms. Also, in *Michigan Public Utilities Commission v. Krol*, 222 N. W. 718, a motor truck owner entered into contracts with his many different customers. The Court held this owner legally a common carrier and under the supervision of the Public Utilities Commission. Judging from the decision rendered in the latter case, it is my opinion that the Public Utilities Commission has jurisdiction

over operation of your motor trucks. The fact that you do not solicit outside business is immaterial.

Selling Goods for Charges

LEGAL EDITOR, *Distribution and Warehousing*: One of our customers, whose account was very much in arrears, was notified in the regular legal way that his goods would be disposed of on a certain date unless the account was paid. The account amounted to \$198. He sent us a check of \$25, which we did not deposit but returned and advised the customer that it would be necessary to pay at least 50 per cent of the account. What is our status?—*Long Island Storage Warehouses.*

Answer: The fact that your customer sent a check to you, which you returned, cannot in any way affect your original legal rights, unless some State or city law may be found which specifically provides that an offer to make payment to a warehouseman obligates the latter to extend credit. It is very unlikely, however, that a law of this nature exists. Therefore it is my opinion that you have the same right at present to sell the

goods as before your customer sent the \$25 check to you.

A Possibility of Conversion

LEGAL EDITOR, *Distribution and Warehousing*: Many of our customers have more than two or three lots stored for their account on separate warehouse receipts. Many times all but one lot is delivered before any storage charges are paid. If we refuse delivery of one lot because the party refuses to pay the storage charges incurred on the lots previously delivered, could we be sued for conversion?—*Fur Merchants Cold Storage Co., Inc.*

Answer: Various Courts have held that a warehouseman cannot retain goods in storage as security for payment of other charges on other goods which have been previously delivered to the patron. It is my opinion that if you retain goods presently in storage to secure payment for charges on other goods previously delivered, you may be liable for conversion under plea that the owner was unable to obtain possession of goods in order to dispose of them when opportunity is presented.

"How to Clean Rugs and Upholstery Fabrics"

A Book Review

ABOUT Two years ago the progressive carpet and rug cleaners of Canada and the United States formed an association, which they named the Rug Cleaners' Institute of America. The purpose was to render better service, and, in particular, to simplify their practices and undertake intensive studies into their problems.

A recent result of their work is a book, "How to Clean Rugs and Upholstery Fabrics," by C. C. Hubbard. It is a handbook of cleaning, in no sense a technical treatment involved with scientific generalities. It is thoroughly practical, written by a man who has for many years headed the work of research and education for the national association of dyers and cleaners and the institute of dyeing. Containing 364 pages and priced at \$7.50, it is published by the Rug Cleaners' Institute of America, 225 West Thirty-fourth Street, New York City.

The first chapters trace the history of floor coverings from their origin in dim history, down through the centuries to the products of today. It defines the weaves of well known rugs, identifies their dyes, and explains how to tell and identify and know the various types of either Oriental or domestic rugs. It then describes all the fibers used in rugs—animal, vegetable and artificial—giving for each its good and weak points.

Another chapter that is most illuminating to any man who handles rugs is the one which deals with "destructive agents"—the elements which cause wear in rugs. These are sunlight, moisture, rain, dry rot, gases, smoke, dust, abrasion, bending, bacteria and stains. This is followed by a section which describes

the many cleansing agents. Of these, water stands first; but of soaps, ten are described at length, together with the best way to use each; then are given seven "soap builders"; and, to close the group of cleansers, thirty-one "solvents" and similar chemical combinations. The practical value of the book may be indicated when we report that each of these cleansers is not merely described and then dismissed. By no means; this is a handbook for cleaning rugs. It is told how to use each one, when not to use it, the sort of trouble each will solve, and the danger each contains for more trouble.

Many Methods

The heart of the book is, however, to be found in the fifty-eight "processes" it contains. Each of these is called a "type job." Each describes in detail (1) the tools for the job, (2) the materials and supplies needed, and (3) the operations to be followed—this procedure being given for fifty-eight "jobs." The first two "jobs" thus described are: dust removal by hand brush-vacuum from pile floor coverings; and dust removal by power beater-vacuum dust wheel. The last two are: to wet-clean furniture; and to clean automobile upholstery. Between these groups are given the processes for every imaginable thing a rug-cleaner is likely to encounter.

Thirty-four formulæ for cleaning compounds are given. For each is listed the work it will do; also the "precautions" to remember in using. Tests are given, to help the user to determine what ails a rug; spotting formulæ are given for stains; rules for rug storage appear in

one chapter; and, in another, "insect control" is treated.

In the last mentioned chapter, on insects, the book does not rest with describing the clothes moth, carpet beetle, and tobacco beetle. It describes the method, the benefits and the pitfalls of the following "control measures":

Dusting; dry cleaning; wet cleaning; heat; cold; cold storage; cedar chests and cedar closets; wrapping in paper; pyrethrum powder (Black Flag); camphor; naphthalene; paradichlorobenzene; germicides; insecticides.

It then takes up five methods of fumigation and two for moth repellents; and, in order to guard against mistakes, discusses seven "control measures of no value."

It is quite probable that many readers of *Distribution and Warehousing* are members of the Rug Cleaners' Institute and are, by virtue of that membership, already in possession of this handbook. To such others as do not have it, the book is strongly recommended. It will save the price many times a month for any purchaser who stores or cleans fabrics. The volume is far more helpful than the Government's pamphlets on this subject, for the reason that it has been prepared in understandable form, written for the man who cleans rugs rather than for the laboratory student.

And, as a good business book should, this volume has a good index. In an instant the cleaner may refer to any formula or test or process without trusting to memory and without spending a precious ten minutes leafing over pages to locate the information he desires.

—H. A. Haring.

Reducing the Probable Loss When Goods Are Sold for Storage

By
WILLIS PARKER

ALTHOUGH the warehouseman has the customer's household goods in his possession and is permitted by law to dispose of the goods at auction to satisfy his claim for storage charges, it is seldom that enough is realized from the sale to cover the storage costs, according to Miss E. Smith, assistant manager of the Hollywood Fireproof Storage Co., Hollywood. When to sell the goods and what measures should be taken to collect delinquent accounts to prevent auction sales were two questions asked of Miss Smith.

The answer to the first question—as to when should the goods be sold—was briefly answered by the following:

"When the storage bill equals the auction sale value of the goods; the amount that the goods probably will bring when placed under the hammer."

When a lot of household goods is brought in for storage, someone who has made it a practice of attending auction sales and noticing the amounts that goods usually bring, looks over the lot and estimates the amount that it would bring if offered at auction. This figure is placed on the ledger sheet. When the account equals the amount estimated, the firm figures it is time to dispose of it. The California State law is quite lenient, as far as the warehouseman is concerned, as it merely states in effect that the goods may be sold for storage charges, specifying no period of delinquency before such sale may take place.

Experience indicates that the longer the goods are held before being sold, the less money will be realized on them. Naturally some unfavorable publicity arises from the advertisements in the legal sections of the newspapers of goods to be sold at auction; so, many warehousemen are prone to hold sales about once a year. It is obvious that twice-a-year sales doubles the possibilities of unfavorable publicity. Hence the firm has debated the question for many months, but has finally decided that it will be more profitable to hold semi-annual sales and that the higher returns accruing will offset the possibilities of unfavorable publicity. It is seldom that the returns from the sale equal the total storage charges and the costs of the sale; so we will eliminate the term "profits."

But the warehouseman must endeavor to get the most that is possible, and a good auctioneer is as essential as good merchandise.

The necessity of resorting to drastic

measures such as periodical auction sales comes from the general public's feeling that as long as the warehouseman has the goods he should not worry about the storage charges. Making the public realize that the mere possession of the goods does not enable the warehouse company to pay the salaries of the workers, sometimes can be done only by the threat of selling the goods. Sometimes customers "vanish in thin air" after placing their goods in storage. Therefore it is advisable to obtain the name of a friend or relative who probably will know of the customer's whereabouts in case it is necessary to get in touch with him. This name and address are placed on the ledger sheet also. Getting the names is an easy task if presented in a manner similar to that employed by this company. To cite a hypothetical case:

Mrs. Jones informs the warehouse manager that she is going to Europe for a few months and wants to store her household goods. That's fine, but it is suggested to her that, as many contingencies may arise within a few months, there should be some way of getting in touch with her if necessity demands. "You probably will be corresponding with a relative or friend while you are away; so why not give us the name and address of such a person, and, if a contingency does arise, we will be able to get in touch with you through him."

Seldom if ever does a customer hesitate to grant the request. And, whereas the customer's original intention may have been to remain away a few months, the months sometimes lengthen into years; and, as the goods are in the hands of the warehouse company, she often will let the duty of paying the storage charges ride along.

Now, when it seems necessary to dispose of the goods in order to satisfy storage costs, an effort is made to advise the aforementioned friend or relative of the situation, either by letter or by copy of the legal notice, and it frequently happens that this third party will pay the bill in order to save the goods.

The California law permits an interest charge of 1 per cent a month on delinquent accounts, but the amount may not be compounded. But when the account becomes past due, the next statement carries a printed slip stating that after storage charges on goods are six months past due, if not paid, the goods will be sold for charges at public auction as provided by the uniform law covering ware-

house receipts; and that section of the law is quoted.

If this notice does not bring results, the account is carried along until the amount of the storage equals the previously estimated value of the goods, and it is then prepared for auction sale, after which are the usual notices and publication in legal papers. The advertisement appears three times in the newspapers—a week apart. About six weeks prior to the sale the regular statement carries an auction notice. One month earlier the statement bears a message affixed with a rubber stamp saying: "Your account is delinquent. Bring it up to date and avoid having your goods sold at public auction." The final notice is mailed about three weeks before the sale is to be held, that being deemed sufficient time for a letter to reach the customer under average conditions.

The person who really values his goods will pay up his account, so that very little of the goods ever reaches the auction block. And, as the man who does let his goods go under the hammer does not value them highly, it is evident that they will not bring much when sold; hence the warehouse man is justified in getting them out of the way as soon as possible—before they have deteriorated further—and that is why semi-annual auctions seem advisable.

Correction

Owners of the 1931 Warehouse Directory, published as part of the January issue of *Distribution and Warehousing*, will please note the following in connection with the listing of the Shellhouse Fireproof Warehouse Co., Indianapolis, on page 220:

The third line of the listing, as published, was, through a printer's mistake, set up to read: "Exec. J. B. Shelby. Est 1925. Whse: (MDSE & HHG) concrete". This gave the erroneous information that Mr. Shelby is identified with the Shellhouse organization, whereas he is manager of another firm in Indianapolis.

The third line of the Shellhouse company's listing should have been set as follows: "Est 1900. Inc. Investment \$33,000. Whse: (HHG) 60,000 sq. ft."

To preserve the reference value of the Shellhouse listing this last quoted line should be substituted for the previously quoted one containing Mr. Shelby's name.

H. A. HARING'S

New Business for Warehouses

No. 65 Handling Merchandise Sold Through Canvassers

ANOTHER article in this issue of *Distribution and Warehousing* [page 20] treats of the subject of direct selling. The relation of changed conditions in canvassing is discussed, and reference is made to the obvious way out of new difficulties: by warehousing the goods.

The warehouseman who desires this sort of business faces some difficulty in knowing where to go to get it.

The manufacturers who sell direct can seldom be reached through local dealers because so many of them do not distribute through dealers. Nor is there a trade directory which lists their names. The nearest approach to directory lists means hard work on the part of a warehouseman who tries to compile a list. That is for him to leaf through the pages of directories of each trade—such as groceries, hardware, confectionery, tobacco, textiles, automotive supplies, drugs, toilet articles—and pick out those manufacturers who sell "direct."

CANVASSING thrives best where retail conditions are poor. Direct selling is a sharp contrast to the half-hearted attention from the clerk in a chain store or a big department store. It does well wherever retailing is unsatisfactory to the customer; wherever merchandising is bad; wherever prices are high and service is inadequate. These conditions make a field fertile for the canvasser, who comes to the door with a cheerful presentation of something that he demonstrates on the spot.

Direct selling is aggressive selling. It goes out for the sale. Therefore these men reap a harvest wherever retailers are inactive or non-aggressive; wherever they are backward in appreciating the needs of the community.

Such conditions are more apt to prevail in the small city than in the metropolis. They are commoner in the town than in the city. Most of all they exist in suburban localities and in the country, where population is sparse.

It is the experience of manufacturers, therefore, that canvassing is most effective in cities of medium size, in small towns and in the country. Here the salesman finds it easier to find Mrs. Consumer at home and opening the door by her own hand.

To make conditions worse in the city, apartment houses fend off canvassers from their tenants. The larger apartments maintain doormen or elevator men, who become effective buffers. And, even

at that, people who occupy apartments are usually less at home than those who live in the detached house of the smaller place. Apartments are tabloid in size. They have less need of things.

So it results that canvassing rings the bell of success more often outside the big city than inside. Insofar as the goods are warehoused at all, the opportunity to get the account is better for the outlying warehouseman than for the one in metropolitan localities. Often the large manufacturers of this sort maintain district stocks and sales offices in the cities and have less need of warehousing at those points.

Real Silk has 250 branch managers; Fuller Brush, 225, divided into 45 districts; one of the "tea" companies divides the country into 40 districts, another into 47 and yet another into 72. Each has its own manager and office.

"Ads" the Clue

THESE manufacturers advertise for salesmen. Their advertisements teem with high sounding promises such as "Own an automobile for nothing"; "Wear this new suit for nothing"; "Earn big money"; "Chance of a life time"; "Astounding earnings"; and the like. An examination of these lures indicates a common tendency to overstatement and exaggeration. Anyone knows that such promises, unqualified and unsupported by a hint of what the man must do, will mislead applicants. They ac-

Often even this method leads to disappointment because the directories do not indicate how manufacturers distribute their goods.

Even the associations of "direct selling companies" have lists far from complete. In 1930, when the Department of Commerce fathered a meeting at Dayton, in an effort to instill ethical practices into canvassing, the mailing lists from which they worked were admittedly able to reach only a share of those they wanted to find. No one, in a word, seems to have a good list of names. Anyone can get together the first couple of hundred, comprising the better known manufacturers, the ones which subscribe to the two publications of direct selling, the few who advertise nationally and those which belong to the association.

These names are a good beginning. They should be obtained by any warehouseman who intends to solicit this type of business.

count for the high turnover among canvassers, in a large measure.

Do not turn away in disgust. The warehouseman is not responsible for the lurid approaches to get sales people. He is trying to locate the source of new business for his warehouse.

These advertisements appear in the so-called "specialty salesmen" publications, which are "pep" magazines aiming to teach best tactics to the house-to-house canvasser. They are also to be found in the classified columns of the metropolitan newspapers. On Sundays there will be column after column of them; but, after spending an hour reading them, the warehouseman will reduce to a handful the number he cares to approach. Many of them are palpable frauds, as a mature mind will see from the first; many more are to sell wild-cat stocks; more yet will be for real estate and insurance only; a few will be nothing more than "come-ons" for bootleggers and unlawful undertakings. The imposing list of a fat Sunday paper will simmer down to what a warehouseman is willing to try out.

The big source of recruits for the canvassing world is just where the big outlet for their goods is found. The smaller cities and the towns furnish the salesmen as well as the market. Local newspapers, through their advertising columns, in your home city, are the most useful source of manufacturers to approach.

Quite often the only address given in the "ad" is a blind number, or a hotel room where the applicant is to report for an interview. Either is all right for the warehouseman to use. What he wants is to get at the man who handles the goods; and, even if the approach is relayed once or twice before reaching headquarters, there is no loss. The warehouseman has the advantage, when replying to local advertisements, of knowing that the distant manufacturer is at the moment interested in sales in the home town. And, more often than not, the man who will open the mysterious hotel room will prove to be the district manager for the manufacturer. He will cheerfully break away from the mob of unemployed who want work, in order to eat a quiet lunch with the warehouseman and find someone who can talk sense in handling goods.

If all else fails, a reply to the advertisement will locate the manufacturer. Then the warehouseman can judge whether the commodity offers anything worth pursuing further.

The advertisements are a supplement, remember, to using the best mailing lists that can be had, from sources as already suggested. But, working backwards from the local "ads" is a direct approach to "live" prospects for the warehouse.

"Wagon Jobbers"

IN many lines of distribution the "wagon jobber" is now very much alive. He does small business, calling on small retailers and wayside outlets such as garages and soft-drink places and filling stations and small restaurants without credit rating. He himself must be supplied; and, in most respects, he is nothing more than a glorified peddler, who uses a truck instead of a pack.

These men can be located in your own community.

It will be found that they receive goods in small lots, occasionally from wholesalers in a neighboring center, more frequently by direct shipment from the distant manufacturer. Each of these conceals a potential account for the

warehouse for each "line" of goods he jobs off his "wagon." He buys in small lots, but his purchases in the course of a month or year are large. He buys piece-meal because his credit does not warrant a large account, and, for that reason, warehouse distribution fits into the picture.

The "wagon jobber" should be considered with all forms of direct selling, so far as the warehouse is concerned.

Ex-Warehouse Prices

IN all cases of canvassing, the purchaser pays the shipping charge. If a C.O.D. is implied, as usually it is, the recipient of the goods also pays the fee for collection and remittance.

In the nature of the selling, shipment is ordinarily made by express, or by C.O.D. mail when the package weighs little. For bulky goods, shipment by freight against notify-order bill-of-lading would of course serve the purpose.

Wherever the goods are distributed through a warehouse the manufacturer expects the purchaser to pay the shipping charges just the same. The usual rule is to add to the invoice a sum equivalent to what the cost would have been by express, plus the C.O.D. fee. This becomes the ex-warehouse price, although no such term is used. It would be meaningless and confusing to the customer.

Two manufacturers report to me that they lump the charge on the invoice, after the fashion of dealers in automobiles who sell a car "f.o.b. Detroit," and then "\$117.85" or some other amount for "freight, delivery, etc.," although the automobile may never have seen a freight car. The dealer charges what the freight would have been, plus the manufacturer's established allowance for conditioning the car for delivery.

So, with canvassers' goods, the best method is to add to the factory price an adjusted amount which would have been the cost for delivery for the same article. Inasmuch as the manufacturer has actually shipped by a less costly method, the charge will more than cover the

freight and the warehouseman's bill for handling and storing.

Profitable Business

ON the basis of charges for storage, business of this sort is hardly desirable. Too often the goods do not bulk large or weigh much.

The warehouseman serves, however, as the agent in distribution. He does more to "service" the goods than just to store and handle. He makes delivery of single items; he must invoice the proper amount; he collects the payment; he reports and remits. He may be called upon to deal with irresponsible and unreliable canvassers.

The warehouseman must also expect incidental obligations. Chief of these is that he will be asked to look up references, or report upon character, or verify statements as made by canvassers or applicants for jobs. He is quite likely to be asked to suggest which local newspaper should be used for advertisements. He is sure to be asked to recommend men for canvassing positions.

For these services the warehouse should make a charge. To quote on the basis of weight and bulk of the goods is not sufficient. The many services implied in handling the account should be considered before naming a flat rate per package of the goods. All these services are worth money to the distant manufacturer, and they should be charged for.

Warehousemen find, too, that after getting these accounts the district managers of the manufacturer like to use an office, or desk room, in the warehouse when they make periodic visits to the city. Their men are accustomed to go to the warehouse for delivery of goods and it makes a convenient place to meet them. Inasmuch as goods are there in store, the manager is able to demonstrate new features of the goods as he could hardly do in a hotel room. He is saved the nuisance of carrying as baggage new models or patterns, because by requisitioning a package of his own goods from the warehouse he gets what he wants, and, when through with it, the goods are returned into stock.

Lawrence Field Warehousing System Is Extended into Texas Territory

THE Lawrence Warehouse Co., San Francisco, which has done extensive field warehousing in California, has completed arrangements with the Dallas Transfer & Terminal Warehouse Co., Dallas, Tex., for the operation of the Lawrence field or branch warehousing system in Texas, thereby placing the system at the disposal of Texas manufacturers, distributors and jobbers.

"Field warehousing, while new to the industry and bankers in Texas," according to E. D. Balcom, president of the Dallas company, "is very popular and is used extensively on the whole of the Pacific Coast and throughout the Middle West.

"Until recent years all warehouse receipts originated through the placing of merchandise in a centrally located

public warehouse, but, in keeping with the advancing tendencies of all business methods, it has become evident that a great economical advance could be effected if a way could be arranged for the warehouseman to take custody of merchandise right on the premises of a manufacturer, thus eliminating the cost of transportation and handling that would be necessary in getting goods to be hypothecated to a distant public warehouse. This would enable the bank to get, as security, merchandise that the manufacturer cannot afford to send to a public warehouse in order to assure the bank that the goods will remain intact during the period of a loan.

"This has been accomplished in what is called a field warehouse, and which is, in reality, a branch warehouse on

the premises of a manufacturer who finds it necessary or expedient to carry a large inventory of raw or finished products on hand usually because of seasonal production, but more recently because of our national hand-to-mouth buying tendencies.

"The legal status of the field warehouse operated by a *bona fide* warehouseman is the same as the ordinary public warehouse. The responsibilities of the warehouseman as regards field and public warehouse receipts are identical. There is positively no difference in the two types of warehousing in question as long as they are properly handled.

"The Lawrence system of field warehousing right in the manufacturer's

(Concluded on page 61)

Checking Household Goods Into the Warehouse

A Stenographer and
Her Typewriter

By WILLIS PARKER

CONSIDERABLE time is saved and possibilities of losses and errors are reduced by the system employed by the Bekins Van & Storage Co., Los Angeles, in checking household goods into the warehouse. Instead of letting the warehouseman make out a list of the goods in longhand, to be sent later to the office for transcription to warehouse receipt, one of the stenographers from the office goes to the warehouse platform, where, on a typewriter, she makes out a list of the goods as they are checked in at the platform. The list is made in triplicate, the original and duplicate becoming the original and duplicate of the warehouse receipt, a copy of which goes to the customer and the other to the files, while the triplicate becomes the warehouse check sheet.

"Heretofore and under the old system, there was a great chance for error," according to C. A. Bekins. "The warehouse superintendent might be busy at the time the load came in; the drivers would unload the goods onto the platform, trying to keep it all in one lot, and sometimes an item would become mixed up with another lot or go astray before it had been given a lot number. Then, the warehouseman had to make out his check sheet in longhand, and send it into the office, where a receipt was made out.

"Under our present system, when the load comes in the driver pushes a button and calls one of the stenographers, who goes to the platform and makes out a typewritten list in triplicate as the goods are unloaded. The entire operation is done at one and the same time, and the additional information individually required for the receipt and for the check sheet is filled in later in due course."

As is well known the Bekins company maintains several warehouses in the Los Angeles area. All of the bookkeeping for the several houses is accomplished at the main office as a means of saving time and money in clerical labor. The books from each warehouse are brought in twice a week and the posting done. In the morning, out in the afternoon, is the system. At one time the books were kept at the main office, but this was found unsatisfactory to the firm and to the customer alike, because if a customer went to one of the warehouses—the one in which his goods were stored—to consult its manager about his account, it

was necessary to telephone the main office. If it was a complicated transaction, it was difficult for the bookkeepers at the main office, the warehouse manager and the customer to get the complete picture and present satisfactory explanations. It is much better, according to Mr. Bekins, to keep the books where customers visiting the branch warehouses may be shown the pages bearing their accounts. The few hours they are away from their stations is seldom a handicap.

In this connection we might mention that all of the dispatching of trucks for the various warehouses is done at the main office. As a rule the customer is asked in which warehouse he prefers his goods to be deposited; also, where he intends to locate when he is to withdraw his goods. The reason for the latter question is, so far as possible, to place the goods in a warehouse in the region in which he anticipates his future residence, so that it will be more convenient when it comes to withdrawal. Sometimes a customer likes the appearance of one warehouse better than he does that of another, though there may be no difference in the safety accommodations. It is merely a psychological gesture that serves to satisfy the customer. But if there is no preference expressed and the customer does not know where he will locate in the future, the goods are placed in the warehouse nearest to the pick-up point.

Referring again to the question of future location, it really makes no difference to the firm which warehouse is selected, as payment for cartage is made on an hourly basis; but sometimes the customer would rather pay for the long haul in the beginning, and sometimes he prefers to pay for it when he moves the goods out—a lot of it depending, of course, on how much money he has at the time or will have later.

The rug-cleaning department of the firm is located at the main warehouse. This is becoming quite an institution and a profitable department. Not only are rugs and carpets cleaned here, but they also are repaired. Reclaiming the spots where moths have worked, or where furniture has cut through, is an important and profitable part of the business. So extensive is it that an expert finds a full-time job available.

"We do not merely confine our rug-cleaning activities to the property of

people who are putting their goods in storage, or taking them out," Mr. Bekins explains. "We solicit business from all parts of the city and from all types of people. The manager of the department spends a goodly share of his time making calls and seeking business. We have one truck that does nothing else, as a rule, except transport rugs to and from the warehouse.

"In addition to moth-killing here at the plant where we have vaults into which to place the overstuffed furniture and other moth-infected articles, we have a portable outfit for moth-proofing in the home. This is separate from the work we do for storage customers, and is found to be quite profitable. We use a solution called 'Bevan' which is constructed from parts of 'Bekins Van,' for the work, much of which is uncovered by our sales force consisting of six men, two women and the sales manager. Two women are kept pretty busy all day long at the telephones making appointments and helping in other ways to get new business for all departments."

Frigidaire Takes Space With Star

Spacious quarters on the third floor of the Star Truck & Warehouse Co. at 1855 Industrial Street, Los Angeles, have been taken by the Frigidaire Sales Corp., formerly located on West Seventh Street. The refrigerator company has changed its sales organization entirely over to dealer representation instead of operating its own branches. By taking space in the warehouse building located in an accessible part of industrial Los Angeles the company is nearer the receiving point of shipments.

Fidelity Personnel

Announcement is made by the Fidelity-20th Century Storage Warehouse Co., Inc., Philadelphia, that F. L. Harner is now vice-president and treasurer. Mr. Harner is a past president of the Pennsylvania Furniture Warehousemen's Association.

MOTOR FREIGHT

Reg. U. S. Patent Office

FOR the busy executive of a warehousing business who is keen to keep abreast of the times there are several important new things to think about in the field of motor freight. Developments are following one another at a rapid pace, and all have a distinct bearing on the cost and opportunities of handling the hauling requirements of any warehouse business, regardless of its size. There are many advancements being made on the manufacturers' side of the industry, and some of these will be discussed in this department, which is conducted

By Philip L. Sniffin

THIS MONTH

Meeting Present Business Conditions

THIS article discusses a plan which can easily serve as an excellent ally to the business executive who is today facing the problem of bettering the net results per dollar expended in his motor vehicle department. In the writer's observation there have been a number of methods generally utilized to cope with present business conditions.

There has been a tremendous let-down in the number of new truck sales due to the tendency on the part of a great many concerns to "drive the truck another year." Trucks are being kept longer in service and, even though repair costs are higher, it is a general feeling that, "in view of present conditions," this is an advisable practice.

In connection with this, however, it is important to note that this policy is conspicuous only among companies whose financial conditions absolutely require it.

The keen executive today, as ever, recognizes in each new unit of equipment an opportunity for profit; and, where his cash reserve permits it, he is as reluctant as ever to permit equipment to be kept in service beyond its point of diminishing returns.

Another policy which has been much heralded but, surprisingly enough, has found little favor, is the cutting of drivers' wages or adoption of equivalent measures relative to commissions, drawings, etc., which would amount to straight cuts in the drivers' earnings.

Some firms have experimented with the idea of eliminating helpers, wholly or partly. Others are endeavoring to reduce the number of drivers and trucks employed by combining the work of two trucks into one or otherwise laying off a percentage of running equipment in a measure to equal the decreased demand for service.

IN the face of a certain amount of frantic destructive effort on the part of the type of executive who obeys first impulses, there is a really constructive side to this picture. The opposing tendency on the part of those who are regarded as most successful delivery operators is to aim for greater efforts from drivers by spurring them on to a broader program of accomplishment.

Notable among the measures being used today for this purpose is the bonus plan.

The predominating type of plan is the bonus with deductions or demerits. A fixed sum is credited to each driver and helper at the beginning of the year. This amount varies in the plans all the way from \$12 up to \$300. The bonus is paid quarterly, and from it deductions are made for infractions of rules or carelessness. These deductions range all the way from a few cents to ten or twelve dollars for failure to report an accident. The larger the base rate of the bonus, the larger the deductions generally are.

Incentive

WHEN this feature exists in the bonus plan—that is, having the bonus large and the deductions heavy—

a valuable psychological effect results. The incentive is increased both ways. The employee sees he can gain a greater reward if he puts forth greater effort to have a perfect record, and his loss is more serious if he is indifferent or breaks regulations.

The most frequent deductions from the bonus are for the following causes:

- Breakage of merchandise.

- Loss of merchandise.

- Absence or lateness.

- Incomplete uniform.

- Poor appearance.

- Accidents.

- Reckless driving.

- Failure to report accidents.

- Improper delivery of packages.

- Customers' complaints.

- Delivering packages to wrong address.
- Returning a package as wrong address if address is correct.

- Returning a package as "missed."

- Failing to check in a package, or "call," brought back.

- Failure to carry out special delivery instructions.

- Taking out package not properly sheeted.

- Failure to have wrong entries on C.O.D. sheets corrected.

- Failure to turn in "over money."

- Damage to merchandise.

- Smoking on duty.

- Appearance of vehicles.

- Improper driving.

- Various infractions of garage rules.

- Delivering packages not properly wrapped.

- Drinking or gambling while on duty.

- Abusive and profane language.

- Carrying unauthorized passengers.

- Failure to leave notification cards.

- Arrests for speeding.

- Impoliteness or discourteous conduct.

Demerits

SOME demerit systems have additions or credits, as well as deductions. These are for (1) the corrections of errors; (2) increases in production; (3) performance of extra work, such as (a) taking out extra runs with "specials" after regular run has been completed, (b) carrying part of a bulk run, (c) special work around the shipping room; and (4) number of packages delivered, a flat rate or one or two cents a package being established.

One demerit system contains an interesting incentive feature. At the end of the year, after all deductions are made, the balance remaining to the credit of each driver is paid to him together with an additional 50 per cent of the amount paid. For instance, \$100 is credited at the beginning of the year. If the driver's record is perfect, he will receive at the end of the year \$150. If his bonus amounts to only \$40 he will receive just an additional 50 per cent, or a total of \$60. This feature provides a special incentive to attain a perfect record or to keep the demerits as low as possible.

Bonuses

"NO Accident Bonuses" are in fairly general use. They usually provide a credit of a certain amount, five, six or ten dollars a month, from which deductions are made for slight accidents, such as scratching of fenders or vehicle body. If a major accident occurs, the entire bonus is forfeited. If two major accidents occur within one month, one concern provides a forfeiture of the driver's bonus for the entire quarter of three months.

Another firm carries its own insurance, covering claims of every description, together with all legal and adjustment expenses. The rules governing the payment of the "No Accident Bonus" are strictly adhered to, and unless a driver clearly and definitely earns his bonus he does not receive any part of it. Should a truck meet with an accident and it be clearly proved that the driver is not at fault, and the concern is not held liable, the driver receives his bonus as though there had been no accident. But if a driver has one accident within six months for which he is definitely responsible, he loses his entire six months' bonus.

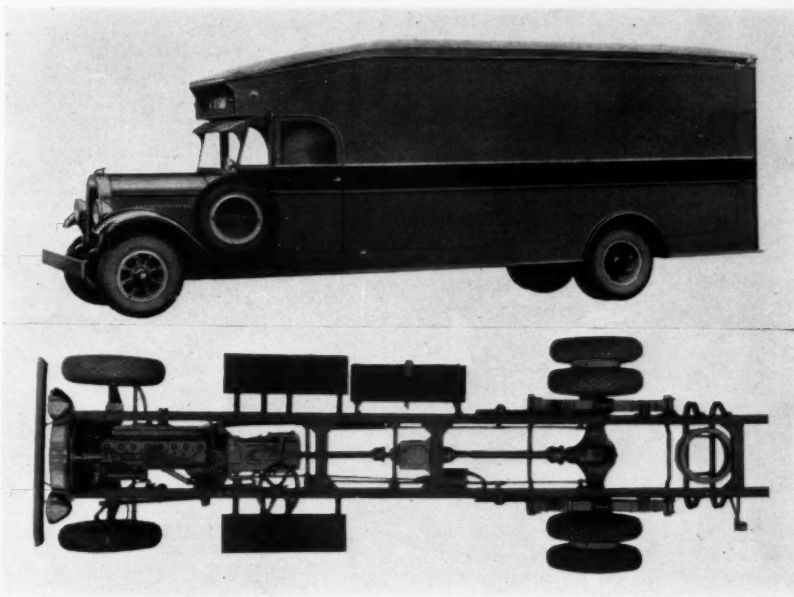
Various service bonuses are given simply for the performance of long periods of satisfactory work. Usually these are based on some such sliding scale as 1 per cent of the yearly wages for one year's service, 2 per cent for two years' service, and so on, with a maximum of 5 per cent. Sometimes the service bonus is a flat amount, having no relation to the year's wages. In some cases where no form of bonus system is in use a payment in the matter of a Christmas present has been given to those who have been in service prior to Thanksgiving.

Efficiency

ONE company maintains a "general efficiency bonus," and any driver in the employ of the firm at the time the bonus is declared is eligible. The amount of this bonus is \$2.50 a month. It is used as a means of encouraging drivers to add to their value by increasing their operating efficiency, such as more miles per gallon of gasoline and oil, better tire mileage per tire, and reduced wear and tear on the truck. Other factors, such as a good delivery record, sorting and routing packages advantageously, accurate handling of all C.O.D. transactions, non-deliveries and calls, are taken into consideration when granting this bonus.

Twice a year the merits of each driver

New Stewart 3½-Ton for Long Distance Hauling



THE Stewart Motor Corporation, Buffalo, N. Y., has announced production of its new 8-in-line 3½-ton chassis designed for long distance moving, hauling and other types of work demanding high speeds, great power and stamina.

The engine is an 8-cylinder of the "8-in-line" L-head type. Ignition is battery type, semi-automatic engine distributor, located on tip of cylinder head. Starter and electrical equipment is Delco-Remy. The carburetor is a Stromberg single type, equipped with an air cleaner. The clutch is a large dry plate, multiple disc, gear-tooth type, automatically adjustable for wear, with special pedal reduction to give light pedal pressure.

The transmission provides 12 speeds forward with three reverse, and overdrive. It is composed of a standard 4-speed transmission attached to the engine and a 3-speed auxiliary transmission mounted amidship. Both units are heavy-duty type with hardened nickel steel gears, large shafts and overdrive bearings and are equipped with standard S.A.E. large openings for power take-off. The overdrive gear permits slower motor speed on long fast runs, thus economizing on gasoline and oil and reducing motor wear.

Service brakes are Bendix Duo Servo 4-wheel, mechanically operated by rods and cable on the front. Size of front brakes is 16 by 2½ inches; rear, 17½

by 4 inches. Hand brake is the contracting bank type mounted on the drive-shaft flange at the rear of the transmission. Size, 11 inches diameter by 5 inches wide.

Tires are 9.00-20-inch base balloons, dual rear, standard. Special 9.75-20 balloons are available at extra cost. Wheels are cast steel hollow spoke type.

The chassis will accommodate body lengths from 11 to 18 feet. The standard wheelbase is 170 inches, with special wheelbases optional, at extra cost, in sizes of 196, 226 and 241 inches. The chassis weight on the standard wheelbase is 7600 pounds.

The equipment provided comprises electric starter and generator, electric lights, cowl side lights and horn, battery, tool kit, jack, spare tire carrier, spare rim, front bumper, speedometer, windshield wiper and mirror on all cabs and bodies; and air cleaner thermostat, stop light, and Alemite grease gun. The natural wood finish steel instrument board is equipped with ammeter, oil gage, starting choke button, lighting and ignition switch, with indirect lighting and manifold heat control button.

Painting is standard as follows: hood, cowl and chassis Stewart green; sides and aprons, finished in baked black enamel; wheels, Stewart red.

This new truck is Stewart's Model 38-8 and is designed to do 50 to 60 miles an hour with full load.

are passed upon by a committee composed of the garage and delivery superintendents, the chief dispatcher, the head of the adjustment department, and one of the assistant managers. This committee has before it a complete record of each route and vehicle, and lists of complaints by customers. The plan presupposes that a driver has earned his ef-

iciency bonus, and deduction is made only when a member of the committee points out deficiencies and irregularities, and the whole committee approves of the deduction. The benefit of the doubt is usually granted to a driver with reference to this efficiency bonus. The drivers are now at such a degree of efficiency that most of them receive it. Any infraction



The newest piece of motor equipment of the Carolina Transfer & Storage Co., Charlotte, N. C.—an International 3-ton mounted with a body 18 feet long, 90 inches wide and 7 feet high in the clear. Of 1,000 cu. ft. capacity with a tail gate extra, it is equipped with sleeping quarters.

of rules or decreased operating efficiency immediately shows up and can be promptly taken up with the driver.

Various other minor bonuses are given, such as a tire bonus or gasoline consumption bonus. These are straight grants of so much a month for a year, for increasing the tire mileage beyond a certain point, or keeping the gasoline consumption below certain fixed limits.

Production Rewards

PRODUCTION bonuses for exceeding quotas on numbers of deliveries are not in general use. This may be because of the difficulty in fairly establishing the quota for all routes, and the difficulty in making the quotas flexible enough to take care of the wide fluctuations in the business.

One company has carefully worked out a quota for each month of the year. Another has worked it out by quarters. In this latter case the following plan is used:

All delivery routes were grouped according to the density of population and average mileage covered. The daily average number of deliveries in each group was obtained by taking the figures for a period of three years past, and then computing a daily quota for each quarter of the year for each route in each group. The bonus rate is 1 cent for every delivery above the quota, and this amount is credited equally to the quota; the loss is not carried forward, but if this happens several months in succession, the quota is corrected.

In several concerns the driver's bonus is based on production, the rate being 1 cent per delivery, and 2 cents for each C.O.D. or "call." From this credited amount deductions for the usual demerits are made. In these cases no quota or fixed minimum of packages to be delivered must be exceeded.

The general requirements of a good bonus plan are that it shall stimulate workers to interested effort and share with them the results of their extra effort or service. For his regular wage the worker is expected to accomplish a standard normal quantity of work of good quality. For accomplishment above

this standard he is rewarded and the reward must be a sufficient proportion of the results to act as an incentive to the worker.

Simplicity

PRELIMINARY to installing a bonus system, standards of performance must be carefully determined in order to be as permanently established as possible. The analysis and study of conditions required to determine these standards often result in changes which greatly improve the efficiency of the department.

A bonus arrangement must be simple and easily understood by all who participate. It should be so clear that each driver or helper can readily calculate or check the amount of his own bonus.

The administration of the plan should be so regulated that all who want to be conscientious and earn a bonus may do so all of the time. There should be no period when it becomes impossible to earn a bonus due to a forfeiture. A continuous incentive should be offered. For example, a tardiness bonus offers five dollars for any perfect thirty consecutive days; a new period of thirty days should begin immediately after a forfeiture by tardiness. Otherwise the incentive lapses and the employee may lose interest and become more careless.

Woodside Is in Georgia Vehicle Steering Group

JOHAN J. WOODSIDE, JR., president of the John J. Woodside Storage Co., Inc., Atlanta, and recently elected a director of the National Furniture Warehousemen's Association, has been made a member of the steering committee of the new Georgia Motor Vehicle Association, organized to oppose proposed tax and regulation measure affecting trucking operations in the State.

It is expected that 60,000 truck owners in Georgia will unite to defeat bills now pending in the legislature, according to some of the backers of the new organization.

Unregulated Trucking Threatens Railroads, Witnesses Tell I. C. C.

(Concluded from page 18)

have to include the same service in their rates. The rail carriers, he testified, were under the handicap of fixed rates and competition with trucks, whereas the truck operators could change rates overnight.

Trucks, the witness continued, had greatly increased the territory of large distributing centers. Development of each form of transportation—long hauls for railroads and short hauls for trucks—should be practical, he declared. He suggested that no hard and fast regulation against motor carriers should be made; that railroads be permitted to employ trucks and buses; that the length and size of trucks and buses be limited to 35 feet for a single vehicle, with 60 feet for a combination vehicle; that railroads be relieved of taxes for construction and maintenance of highways, and that railroads be permitted to adjust rates, as necessary, up to 400 miles.

Joseph Hayes, counsel for the Iowa Truckers' Association, testified that the truck transportation problem could not be settled until it was possible to regulate and control private and contract operators.

Bekins Testifies

Melvin Bekins, manager of the Bekins Omaha Van & Storage Co., Omaha, testified that he operated a regular common carrier truck line between Omaha and Sioux City, a distance of 100 miles, and he thought that interstate regulation would be advisable if the private and contract carriers could be regulated.

Coordination was feasible in most instances of hauls exceeding 250 miles, Mr. Bekins declared. The common carrier truck was aligned with the railroads in protection against the private and contract motor carrier, he asserted. He described truck haulage of meat, cream, bakery products and laundry, and said that the combination of transportation and salesmanship aided truck growth.

New Indiana Law

In the face of protests by trucking interests, including the Motor Truck Association of Indiana, Indiana's State Legislature has enacted a law which will limit the gross weight to 8000 pounds per wheel on pneumatic tires. When solids are used the maximum wheel weight limit will be 6,400 pounds.

The new statute provides also that in no case shall the gross weight on "any selected group of two or more consecutive axles on any vehicle or combination of vehicles exceed 24,000 pounds plus an additional 600 pounds computed for each lineal foot between the centers of the first and last axles of said groups."

Also the law will restrict to 40 feet the length of combinations.

The statute is expected to become effective next Jan. 1.

Congress Adjourns Without Having Acted on Numerous Motor Regulation Measures

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

DESPITE the general feeling in Congress that legislation regulating interstate transportation by motor vehicles should be enacted, no such legislation got through the session which adjourned March 4. The Parker motor bus bill, after passing the House, skidded into opposition on the Senate side, and when the session ended it was parked in the Senate Interstate Commerce Committee.

Several proposals for investigations which would have developed information regarding the problems involved in motor vehicle transportation in its interstate aspects also failed to get favorable action.

Representative James S. Parker, New York, chairman of the House Committee on Interstate and Foreign Commerce, had pending two resolutions which would have authorized such inquiries.

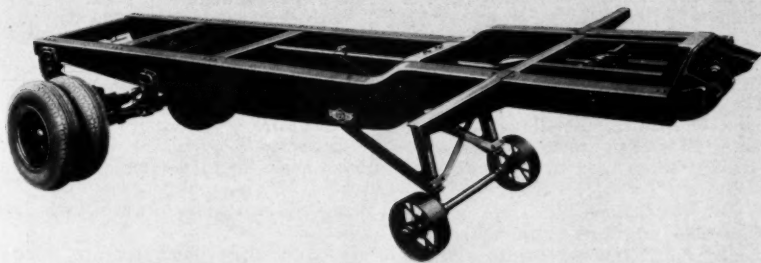
One of these, H. J. Res. 517, proposed that the hold-over members of that committee be empowered to make an investigation, during the summer, of the ownership and control, direct or indirect, of stock, securities, or capital interests in any corporation engaged in interstate commerce, by holding companies, investment trusts, individuals, partnerships, corporations, associations, and trusts, and the organization, financing, development, management, operation, and control of such holding companies, etc. This resolution was pending in the House Rules Committee when adjournment overtook it.

Another resolution by Representative Parker, H. J. Res. 519, called for an investigation by the Interstate Commerce Commission into transportation as carried on by the several agencies engaged in interstate commerce as common carriers, "to inquire whether, in the public interest, any of them should be regulated, or further regulated, whether existing Governmental regulation of interstate commerce should be modified or amended, and to submit a report to Congress of the United States in December, 1931, containing its recommendations thereon."

This resolution called also for the conclusions of the Commission as to the effect of existing or potential competition between motor, water, air, pipe line, and railroad agencies of transportation, and called for drafts of appropriate bills to carry into effect such recommendations as the Commission might see fit to make.

While this resolution met the approval of the House Committee on Interstate and Foreign Commerce and went to the House calendar with a favorable report, it, too, failed to get to a vote and died with the adjournment of the session.

On the Senate side, Senate Joint Resolution 250 proposed an investigation by the Interstate Commerce Commission into the facts regarding interstate transportation by motor vehicles. This failed



New automatic semi-trailer announced by Fruehauf Trailer Co., Detroit. Designed to give "a larger payload on the same size of trailer," it is available in various lengths up to 22 feet and in capacities up to 15 tons. Frame width is 40½ inches and spring center is 41 inches, providing room for use of tires up to 10.50 dual balloons without increasing the overall width of 96 inches—the legal limit in most States. It is available also with tandem rear axles on either single or dual tire equipment for use in territories where this type of equipment is advantageous.

to get to a vote, although Senator Simeon D. Fess, Ohio, submitted it to the Senate with a unanimous report from the Senate Committee on Interstate Commerce urging its passage.

The bill proposing regulation of motor buses in interstate commerce will be reintroduced in the next session. It is quite apparent that very material changes will be made in it. The opposition to the measure as it passed the House was against the provisions requiring the issuance of certificates of public necessity and convenience. It was charged by some, especially in the Senate, that these provisions were a blow at competition and an effort to protect those already engaged in the motor bus business. Also, considerable sentiment was evidenced in the Senate favorable to including motor trucks in the regulatory measure.

While all the proposals for further investigations into the pertinent facts as to motor vehicle transportation in interstate commerce failed, the Interstate Commerce Commission has been engaged in a survey of the motor vehicle transportation question in its relation to rail transportation. It has developed a mass of information, much of which will be available to Congress when it again takes up the question of legislating on this subject.

—Horace H. Herr.

Compulsory Insurance Sought in N. Y. State

A compulsory insurance measure which, if enacted, will affect movers and many warehouse companies, has been introduced in the New York State Legislature.

Offered in the Assembly, the lower House, by Henry O. Kahn, Democrat, of New York City, it would amend the State vehicle and traffic law by inserting the language "and every person, firm, association or corporation carrying or transporting merchandise or other personal property in any motor vehicle in a city of the first class for hire or in the course

of business" shall file a bond or insurance policy in the sum of \$2,500, conditioned for the payment of any judgment recovered for death or injury or damage to persons or property.

The cities of the first class referred to are New York City, Buffalo and Rochester. The law would take effect immediately on enactment.

44 Legislatures Active in 1931 with the Truck an Objective of Attack

WITH the Legislatures of all States except Kentucky, Mississippi, Louisiana and Virginia holding sessions this year, it is estimated that some 3000 automotive bills are being introduced, many of which will, if enacted, affect warehouse companies operating trucks.

The truck and the bus are the chief targets of legislative missiles. For current up-to-date information about what is going on in the various State Legislatures we are indebted to Richard S. Armstrong, secretary of the Motor Vehicle Conference. The far-flung and active information of this organization has brought together definite data on bills being introduced and debated, and thus had made possible some interpretation of what is happening.

Bills pending show definite efforts to increase taxes, impose greater operating restrictions and limit design possibilities in connection with motor trucks.

Particular attention is being centered on lengths of trucks and truck-trailer trains. Three proposals already are before the Illinois Legislature, for example, asking limitation of length of combination of vehicles to 30, 35 and 40 feet, respectively; the present law permits 65 feet. Indiana, which now has no size restrictions, is considering proposals for length limitation of combination vehicles as low as 40 feet. Fifty-foot maximum is being considered in Iowa, where no length restrictions existed heretofore. Reductions from a 75-foot maximum to 33 feet, 35 feet, 50 feet or 60 feet is

getting consideration in Minnesota. And so runs the trend, with reductions in maximum length being proposed in Nebraska, North Carolina, North Dakota, Oregon, South Dakota and Tennessee as well.

The Oregon bill proposes to prohibit six-wheelers in combination; a North Dakota bill is designed to prohibit trailers except when used by "private individuals."

Width restrictions, too, are getting considerable attention, although, unexpectedly enough, more pressure seems to be coming on lengths than on widths this year.

Pressure to decrease truck weight allowances is common, although study of the bills proposing more load restrictions indicates again that the combination truck-trailer train is a particular target of the legislative sharpshooters.

Higher special taxes on both buses and trucks are being urged all along the line. And a greater tendency is shown than ever before to divert these special taxes to other than automotive or highway uses. A Colorado bill, for example, proposes a fee of \$100 for the first ton rated capacity, as against the existing tax of \$10 for trucks of that size. An Indiana proposal is for a tax of \$150 for the first ton rated capacity, the present rate being \$20 for trucks of from one to two tons. Similar increases are being asked for in many other States along with regulatory restrictions which would affect not only common carriers but in many cases all motor vehicles for hire of every character, and even trucks which are owned and operated as private fleets.

Such radical increases in taxes on light trucks is significant of the tone and character of the current automotive legislative developments which give evidence of bearing down on progress of motor transportation from a purely competitive and economic angle. It is important that executives recognize this trend, because there is, perhaps, too general tendency in our industry to feel that these restrictive measures are for the most part the problem of the heavy-unit interests.

Increases in gas taxes are widely proposed and seem certain of adoption in a number of instances. The seriousness of this trend lies largely in the tendency to use the gas tax as a means of raising revenue for general State expenses and purposes. This latter tendency probably is responsible in a large measure for such radical proposals as those which appear in Nebraska and one or two other States to raise the gas tax as high as eight cents a gallon. Proposals for increases range all the way from this high point to a half-cent in Arkansas and Utah. Proposals for a one-cent increase are being made in Arizona, Arkansas, Connecticut, Iowa, Minnesota, Nebraska, New York, North Dakota, Tennessee and Wisconsin. An increase of two cents is asked in bills introduced in Arkansas, Kansas, Ohio and Tennessee.

Proposed diversions of gas tax receipts from highway purposes have already

been introduced in Georgia, Indiana, South Dakota and New York.

Compensation insurance laws, similar to the plan now existing in Connecticut and several other States, are getting consideration in New York, Washington, Wisconsin and several other places.

Compulsory insurance laws of the Massachusetts type are meeting with less favor than ever before, although laws of this general character have been proposed in Kansas, Illinois and South Dakota.

So radical in character are some of the bills being proposed here and there that they scarcely warrant serious consideration as legislative possibilities. Yet the very fact that anybody could consider them seriously enough to introduce them into the House or Senate of a State Legislature is perhaps indicative of how serious a situation might develop unless every force for continuous, effective, educational effort is utilized year after year to point out the proper ways for sound economic and technical regulation and taxation of motor vehicles.

Wants Life-Savers!

A California legislator, it appears, wants a law that "all vehicles must be equipped with life-saving devices." In Tennessee arises a proposal that after Jan. 1, 1936, all buses and trucks be compelled to build their own highways. Regulations for the sale of second-hand cars, parts and accessories are asked in Texas. A Wisconsin solon proposes that "when a truck is sold with a promise to the buyer of employment or occupation and later it becomes necessary to repossess the truck, it can only be done by refunding all payments made and relieving the buyer from further obligations."

Nebraska is being asked to consider a law to the effect that the upper half of each motor vehicle headlight must be covered with paint or some other permanent substance.

A proposed Connecticut law would forbid advertising on the outside of passenger cars or on tire covers, when readable more than one foot away; and another idea incorporated in a bill in this same professor-governed commonwealth is that "no employee shall park his car within half-mile of his place of employment for a period exceeding 30 minutes."

Doubtless the researcher interested in this sort of legislative liverwurst could unearth plenty more samples to delight the taste of Cynics on Democracy. But the important phase of these 1931 legislative developments is the trend toward higher taxation and greater restrictions which they unquestionably indicate.

Fort Smith Blaze

Fire on March 1 swept the one-story brick garage of the O. K. Transfer & Storage Co., at 122 North Second Street, Fort Smith, Ark. Trucks and wagons valued at between \$60,000 and \$70,000 were destroyed. Horses stabled in an adjoining building were saved. Garage and contents were partly insured.

Regulation of Contract Motor Carriers Declared to Be Unconstitutional

REGULATION in the sense of control of contracts and rates and practices, and of the right to engage in the business, "cannot be imposed upon the contract motor carrier without violating the due process clause" of the Federal Constitution, LaRue Brown and Stuart N. Scott, counsel for the motor truck division of the National Automobile Chamber of Commerce, declare in an article published in the February issue of the *Harvard Law Review*.

The article is based on an exhaustive study of all State truck regulatory laws, State commission decisions and State and Federal Court decisions affecting the laws. It is the first of a series of studies undertaken by counsel for the Chamber in an attempt to clear up some of the difficulties involved in the troublesome problem of truck regulation.

Georgia Ruling

Georgia's right to impose both license and occupational taxes on motor trucks has just been upheld by the Georgia Supreme Court in the case of the *Georgia Highway Express v. William B. Harrison, Comptroller-General*.

The Supreme Court, in this case appealed to from the Fulton Superior Court, held that the mileage tax of three-fourths of a cent a mile on trucks of less than 5500 pounds capacity, and two cents a mile on trucks of capacity of 5500 pounds and more, was an occupational tax levied on the right to engage in business in the State; and that, as such, it was not in conflict with the charge of \$35 made for a certificate of necessity and convenience, or with the \$25 license fee charged for each vehicle.

California Ruling

The California Railroad Commission has ruled that freight trucks must hold either a franchise or a writ of necessity from the Commission. The decision involved the Taber Brothers Co., engaged in truck hauling between Los Angeles, Fresno and the San Joaquin Valley.

The company maintained that it had no fixed terminals and no regular routes, but transported property privately and thus was exempt from Commission regulations and franchises, which impose a tax of 5 per cent on each truck's gross revenues annually. The Commission, however, overruled the plea.

Paddock Now Wright

George A. Wright, owner of the Paddock Transfer & Storage Co., Marion, Ohio, has announced a change of name to the Wright Transfer & Storage Co.

The firm was established in 1889 by M. L. Paddock. Mr. Wright has been operating it since 1924. The company does a combination household goods and merchandise storage business.

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By Clarence A. Aspinwall

The Merchandise Warehouse in Distribution 0.10

A Department of Commerce publication.

Simplified Rate Manual for Merchandise Warehousemen 3.00

Compiled and published by the Texas Warehouse & Transfermen's Association, Inc. A basis of scientific rate structure; an analysis of handling and draying revenues. In lots of ten or more, \$2.75 a copy.

By D. W. Tackett

Merchants Fireproof Storage Co., Inc., Dallas

Standard Contract Terms and Conditions 0.05

A Department of Commerce publication.

Suggestions for the Practice of Commercial Arbitration in the United States 1.85

Prepared by the American Arbitration Association.

Trade Associations: The Legal Aspects . . 5.10

Trade association law, statistics, uniform cost accounting, credit bureaus, purchasing, standardization. By Benjamin S. Kirsch.

Warehouse Directory (subscription to *Distribution and Warehousing* included) . . . \$3.00

The industry's annual reference volume, containing statistics and data regarding warehouse companies throughout the United States and Canada.

The 1930 edition appeared as part of the January issue of *Distribution and Warehousing* Single copies each 5.00

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Simplified Practice Recommendations No. 34 of the U. S. Department of Commerce. Describing and illustrating the standard warehouse documents approved by the Government.

Warehousing 10.00

Trade customs and practices; financial and legal aspects.

By H. A. Haring

Warehousing and Transportation Economics in Distribution

A study by the Domestic Distribution Department of the Chamber of Commerce of the United States. Outlines when and how public warehousemen can save money for distributors.

0.05

Warehousing General Merchandise—An Encyclopedia

Prepared by the American Warehousemen's Association.

Regular Edition to A.W.A. members: Vol. I, \$10; Vol. II, \$5. Both 12.50

Regular Edition to non-members: Vol. I, \$15; Vol. II, \$7.50. Both 20.00

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De Luxe Edition to non-members: Vol. I, \$20; Vol. II, \$10. Both 25.00

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WITH THE ASSOCIATIONS

HERE is presented in tabloid form the Association news that is of *general interest* to the industry as a whole. No effort is made to publish complete reports of all Association meetings; the dissemination of such information is logically the work of the officers and the committee chairmen. What is presented here is in effect a cross-section review of the major activities so that Association members may be kept advised as to what "the other fellow" elsewhere in the country is thinking and doing. When annual or semi-annual meetings are held, more extended reports will occasionally be published.

New Set-Up in 1931 Committee System of NFWA

MARTIN H. KENNELLY, Chicago, new president of the National Furniture Warehousemen's Association, in announcing the 1931 committees has made a change in the set-up as compared with the system of selections in the past. Each committee has a general chairman, as heretofore, but the vice-chairman represent regions and will have particular charge of their subjects in their districts. It is explained that the new arrangement "is a possible fore-runner in carrying out the thought of a regional set-up and meetings as outlined in the report of the association relations committee at the San Antonio meeting in January" and that it is expected that every member of each committee "will be active and charged with greater responsibility than heretofore." The committees and their general chairmen are:

Nominating (elected at San Antonio), R. V. Weicker, Denver.
Arbitration, William T. Bostwick, New York.

Association relations, C. J. Hamilton, Baltimore.

Auxiliary department, Milo W. Bekins, Los Angeles.

Claim and accident prevention, Joseph Hollander, Chicago.

Container service, F. L. Bateman, Chicago.

Employer and employee relationship, C. A. Aspinwall, Washington, D. C.

Insurance, Daniel P. Bray, Kansas City, Mo. Automobile insurance, W. R. Thomas, Cleveland. Building insurance, E. G. Mooney, Hartford, Conn. Compensation insurance, Louis H. Tanner, Detroit. Transit insurance, Reed Bekins, San Francisco.

Laws and legislation, John G. Nesser, New York.

Local moving department, Arthur Blanchard, Rochester, N. Y.

Membership, William R. Palmer, New Haven, Conn.

Packing department, Benjamin Brockway, New York.

Past presidents, F. L. Bateman, Chicago.

Publicity, Sidney S. David, Chicago.
Railroad traffic, M. J. Murray, Chicago.

Sales promotion, Morrison C. Wood, Chicago.

Shipping department, Thomas A. Jackson, Chicago.

Statistics, C. F. B. Tippet, Toronto.

Storage department, C. J. Neal, Cleveland.

The complete personnel of all the committees will be found on pages 144-146 of the March issue of *The Furniture Warehouseman*, the National's official organ.

Summer Convention

Great Lakes boat transportation having been arranged satisfactorily, the summer meeting of the N. F. W. A. will be held on Mackinac Island, Mich., on July 15, 16, 17 and 18. It was at Mackinac that the National held its organization gathering, in the summer of 1920, and a number of the summer meetings have been staged there since—in the Grand Hotel, where the next one will be held.

The boat from Chicago will leave at noon on July 14, while the boat from Buffalo will leave on July 13 and arrive in Detroit on the 14th, the eastern delegates then leaving Detroit by boat on the same date.

Gilbert Heads A. V. L.

As foreshadowed in the March *Distribution and Warehousing*, Barrett C. Gilbert Storage Co., Inc., New York, has been selected by the directors of the Allied V. Lines, Inc., to act as president until the agency's directors meet in July to elect officers. Mr. Gilbert, who has been the eastern vice-president, succeeds Mr. Kenelly, who resigned in January after having been nominated as president of the N. F. W. A.

Wilson H. Collin, formerly secretary and manager of the Empire Warehouses, Inc., Chicago, has been appointed assistant general manager of the A. V. L. Henry Reimers, Chicago, the general manager, will thus be enabled to devote more of his time to the development of

the N. F. W. A., of which he is executive secretary.

Walter W. Hall, Washington, D. C., has been appointed eastern regional manager of the A. V. L. Formerly manager of the Big 4 Transfer Co. and at one time with the United States Storage Co., Inc., Washington, Mr. Hall in recent months had been A. V. L.'s pool van service manager and manager of the agency's Washington district office.

Seventy Years Young

James F. Keenan, president of the Haugh & Keenan Storage & Transfer Co., Pittsburgh, and the only executive who has served as president of both the American Warehousemen's Association and the National Furniture Warehousemen's Association, was 70 years old on March 4 and was the recipient of telegrams and letters of friendship and esteem sent by warehousemen in all parts of the country.

Canadians May Hold Regional Meetings in Alternate Years

THE Canadian Storage & Transfermen's Association, instead of holding a single national convention this year at Winnipeg in June, as had been contemplated, may hold two regional assemblies instead.

Provisional plans, subject to ratification by the directors, calls for an eastern gathering in Toronto, probably around mid-June, followed by a meeting for the western executives. The western meeting may be held at Jasper Park about a week following adjournment at Toronto or it may be deferred until late in July if the National Furniture Warehousemen's Association decides to assemble about mid-July at Mackinac Island, Mich.

The Canadian's directors feel that a single meeting, regardless of where it might be held, would, owing to business conditions, seriously cut down the attendance. If the new plan is adopted and works out satisfactorily, it is the directors' idea to hold a single convention every other year and district meetings in alternate years.

**Cassell New
President of
Californians**

THE California Van & Storage Association held its annual meeting at the Hotel Palomar in Santa Cruz on Feb. 23-25 and elected officers and directors as follows:

President, William A. Cassell, of the Pasadena Transfer & Storage Co., Pasadena. Mr. Cassell will be remembered by eastern storage executives as one-time secretary of the Pennsylvania Furniture Warehousemen's Association.

Vice-president northern division, C. A. Buck, proprietor C. A. Buck Transfer & Storage, Burlingame.

Vice-president southern division, C. C. Temple, San Diego manager Bekins Van & Storage Co.

Secretary, Robert Palmateer, manager Fidelity Fireproof Storage, Los Angeles.

Treasurer, F. G. Redman, president Redman Fireproof Warehouse Co., Santa Monica.

Directors, southern division, William Norris, Los Angeles manager Bekins Van & Storage Co.; W. Parker Lyon, Jr., Pasadena manager Lyon Van & Storage Co., Inc.; R. R. Neiger, president Alhambra Transfer & Storage Co., Alhambra. Northern division, David C. Bole, San Francisco manager Lyon Van & Storage Co., Inc.; C. C. Lockett, partner Electric Transfer & Storage Co., Sacramento; Herbert B. Holt, San Francisco, secretary Bekins Van & Storage Co.

A special committee was created to work out a plan of California operation for the Allied Van Lines of the National Furniture Warehousemen's Association, the committee including Merle E. Turner, William Hibbit, R. R. Neiger, C. A. Buck and George Rodolph, who submitted for consideration a plan for the building of A. V. L. trailers to be hauled by two present franchise holders, the Bekins and Lyon organizations, on a basis which would assure commissions to member companies supplying the loads. Under this proposal a terminal would be operated and controlled by the Bekins and Lyons companies.

It was voted to hold a subsequent meeting of the members to further the idea.

The association went on record recommending installation of a standard classification of accounts, as recommended by E. B. Gould, San Diego. The southern division's field secretary, Charles Byron, was instructed to assist the members in installing such a system. It was found that few of the van and storage firms kept records which would enable them to know their costs with sufficient accuracy, so that decisions could be made as to whether present rates were either too low or too high in any given instance.

It was voted to table the problem as to whether the association should endeavor to have their business placed under State Railroad Commission control. General opinion among the members was that there was no public de-

mand for such supervision of the household goods branch of the industry.

The diversity of the topics discussed may be judged from the subjects of the following papers presented:

The Outlook for 1931, by Harvey B. Lyon. How to Determine the Cost of Saleable Storage Space, by Reed J. Bekins. Accounting Results, by E. B. Gould. Who Is Responsible for Charges on Shipments When Receiving Warehouse Is Designated by Shipper?, by R. F. Palmateer. Profitable Volume per Salesman, by Milo W. Bekins. Uniform Methods in Estimating, by W. A. Cassell. How to Improve Collections, by C. R. Horrell. The Effect of Promotion Schemes Upon the Industry, by Rodney S. Sprigg. What Liability Insurance Limits Are Necessary Properly to Pro-

William A. Cassell



Pasadena executive elected new president of California Van & Storage Association

tect?, by F. B. Cramer. The 5 Per Cent Tax Law, by J. R. Zimmerman. "Believe It or Not," by W. A. Norris. Practicability of Use of Lift Vans, by Merle E. Turner. Centralized Sales, by B. F. Ferris. The Furniture Storage Business in a Small Community, by C. E. Turner. Trailers and Semi-Trailers, by Frank M. Brock. Association Dividend, by S. S. David. Best Methods of Handling Foreign Shipments, by B. Selby. New Developments on Water Shipments, by F. C. Whelan. Developing the Employee, by H. S. Dawson. Fumigating and Mothproofing, by A. H. Hathaway. The Advertising Advantage of Window Displays, by W. Parker Lyon, Jr. Telephone Book Advertising, by Jackson W. Kendall. Electrical Signs, by C. C. Temple.

—S. L. Brevit.

**Colorado Executives
Seek Readjustment
of A. V. L. Tariff**

BETTER coordination of rate structures between north central States transfer lines and those of Colorado are foreseen as a result of a move made in that direction at the annual convention of the Colorado Transfer & Warehousemen's Association, at Denver on Feb. 13 and 14.

The Allied Van Lines, Inc., of the National Furniture Warehousemen's Association, sent Miss Leila N. Hollin, Chicago, a field representative, to the meeting to confer with the association on the question of adjusted schedules.

The deliberations were largely taken up with the presentation of the case for Colorado. It was clearly set forth that Colorado lines have the handicap of an unusual geographical situation to overcome in competition with eastern lines. Backed up against the wall of the Rockies, their hauls outside of their own territory must necessarily be heaviest east. The Southeast and the Northeast provide the only other outlets, but the possibilities in those directions do not compare with those to the east. As a result, it was pointed out, Colorado suffers most from broken down rate structures in States to the east. It was set forth that Colorado protects the outside hauler and expects him to reciprocate by maintaining schedules on a par with those of Colorado. The practice of eastern lines of coming into Colorado with cheap tonnage and returning with loads at half the Colorado published rates was cited as the most damaging phase of competition with which association members were forced to contend. That middle-western rate structures were based on cubic feet and those of Colorado on weight was given as one of the causes for the variation of schedules.

A timely illustration of how the out-of-State lines are protected against the "wildcat" was provided in the adoption by the convention of a resolution approving House Bills 173 and 176, now pending before the Colorado Legislature.

Bill 173 is a proposed amendment to an existing Act of 1921 providing for the prosecution of illegal operators. The Act of 1921 provided that the violator be returned to the place of residence for prosecution, and that the case be presented to the Courts through the Public Utilities Commission. The present amendment provides that he may be prosecuted at any point at which he is picked up between his origin and destination. Under the proposed law, the case may be taken direct to the Attorney General or to the Courts.

Bill 176 is a parallel measure which empowers the Commission to regulate the private carrier. It does not require that he have a certificate, but a permit secured at a nominal cost. It makes him liable and forces him to carry insurance to protect both the public and the shipper. Any private carrier who hauls for more than one person, firm or corporation is designated a common carrier in

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the proposed Act. This provision is aimed at the contract hauler subterfuge. Another clause outlaws the practice of buying goods and selling them back to the customer at the point of destination.

It is estimated that both measures, if passed, would double the revenue now received by the State from the regulation of shipping lines. The present revenue is calculated at \$100,000. The proposed laws, it has been predicted, would not increase collection costs to the State more than 2 per cent. The State administration is solidly behind both bills.

The convention voted to hold over the present officers of the association until next September. The organization was incorporated in September, 1930, so future conventions will be held during the month and the election of officers held then.

James P. Logan, Denver, the president, was in the chair at the Denver meeting. Stanley S. Andrews, manager of the Bekins-Turner Moving & Storage Co., Denver, was appointed secretary to fill the unexpired term of L. W. Freedheim, Denver, resigned.

It was announced that the Santa Fe Drove Storage Warehouse, the Merchants Storage & Transfer Co. and the North Denver Transfer & Storage Co., Inc., all of Denver, had joined the association.

Wilfrid Redmond.

Cole Is Reelected President of the Kansas City Local

AT the annual meeting of the Kansas City Warehousemen's Association, at the Kansas City Athletic Club on Feb. 20, Frank M. Cole, general manager of the Radial Warehouse Co., was chosen president for his third consecutive term. "This association, aside from affording an opportunity to discuss current matters," Mr. Cole said in his speed of acceptance, "has been of utmost importance and value in promoting a cooperative spirit as well as encouraging the maintenance of proper ethical business practices among our members. The meetings are unquestionably of incalculable benefit to the industry and the shipping public."

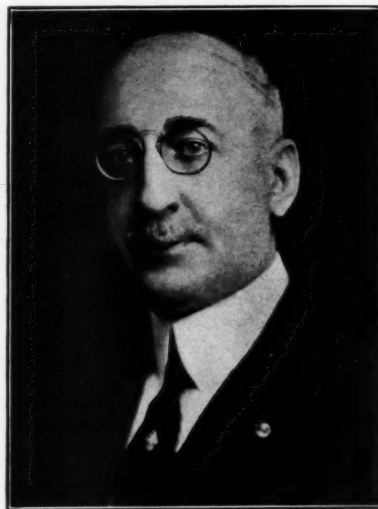
"Business conditions during the past year have been more or less distressing and our industry could not wholly escape being affected by this unfortunate condition. However, benefit may have been gained if this situation did force upon us a keener wish for knowledge of the conduct of our business. The day of 'guessing' seems to be a thing of the past with progressive warehousemen, who now demand definite information as to costs of operation. Most of our members, we believe, have devoted more time than ever in endeavoring to ascertain the value of their space and service rendered in hopes of securing reasonably profitable rates. Intensive study of labor and other costs entering into overhead, with view of elimination of guesswork, will disclose many previous unprofitable transactions, both for the warehouseman

and the public, which may be avoided in the future.

"If I have any recommendation to make, it is that we continue our study of costs and that we encourage the most loyal support of the object of our organization, which is, generally speaking, the promotion of friendly feeling and confidence between our members, proper study of costs of operation and maintenance, to the end that the best interests of the public and our association may be served."

Joseph C. Wirthman, president of the Lincoln Storage & Moving Co., was elected vice-president and chairman of the household goods division; R. E. Jones, United Warehouse Co., vice-president and chairman of the merchandise division; and H. L. Trask, general superintendent of the United States Cold Stor-

Frank M. Cole



For third successive time chosen
president Kansas City Warehouse-
men's Association

age Co., vice-president and chairman of the cold storage division.

A. E. Brooks, of the Southwest Warehouse Corp., was reelected secretary-treasurer, and the following were chosen as directors:

Wofford E. Lewis, secretary of the Federal Van & Storage Co.; C. C. Daniel, Sr., president of the Central Storage Co.; J. E. Kathrens, operating executive of the Kathrens Moving & Storage Co.; and A. T. Brough, secretary of the Grandview Club Transfer & Storage Co., Kansas City, Kan.

Corcoran Chosen IFWA Treasurer

Joseph L. Corcoran, vice-president of the Evanston Fireproof Warehouse, Evanston, Ill., has been elected treasurer of the Illinois Furniture Warehousemen's Association, succeeding Wilson H. Collin, resigned.

New Jersey F. W. A. Once More Opposes a Removals Measure

THE New Jersey Furniture Warehousemen's Association went on record at its February meeting, held in Newark, opposing an Assembly Bill (No. 197) which would compel movers, furniture warehousemen included, to make weekly reports of removals. This is virtually the same measure which the Jersey organization has been successful in blocking numerous times in years past and now the fight has to be waged all over again.

The association favored Assembly Bill No. 174, which would increase the legal length and weight permitted motor trucks.

Frederick Petry, Jr., Trenton, the president, has announced the 1931 committees, the chairmen of which are Norman Hotchkiss, laws and legislation; William T. Bostwick, uniform methods; Carl Hanneman, freight transportation; James E. Mulligan, cost accounting; Griswold B. Holman, motor transportation; Willard Eldredge, insurance; Richard Coyne, membership; Charles Sebold, advertising-publicity; Frank J. Summers, entertainment.

Local Association Is Being Organized in New Haven, Conn.

WAREHOUSE and transfer men doing furniture moving in New Haven, Conn., and vicinity have taken preliminary steps toward the formation of a local association the major purposes of which will be promotion of public good will and cooperation among moving concerns. Thirteen firms have interested themselves in the plan and the support of others is anticipated.

The first meeting of the group was held on March 11 at the offices of The Smedley Company, 165 Brewery Street. William R. Palmer, the Smedley firm's secretary, and who is secretary of the Connecticut Warehousemen's Association, is one of the chief proponents. Other companies represented at the meeting include Acme Moving & Storage Co., Cohen & Powell, Inc., Merchants Express, Bellin & Powell, Collins Bros., S. Rashba & Sons, Van Der Maelen Bros. and West Haven Trucking Co.

A code of ethics was drawn up which closely resembles that of the National Furniture Warehousemen's Association.

At a second meeting, at the Hotel Taft on March 11, formation of a New Haven association was definitely decided on and it was voted to hold another meeting on March 25. Committees were appointed to draw up by-laws and constitution and to interest other movers in the idea.

The group discussed the problem of arriving at an equitable basis for determining charges and a majority agreed that the hourly basis was fairer than by load or by contract.

—Charles B. Barr.

William R. Wood



Again president Van Owners' Association of Greater New York

New York Van Men Reelect W. R. Wood as Their President

THE Van Owners' Association of Greater New York, Inc., at its 1931 annual meeting, created the post of honorary president and awarded it to Charles S. Morris, president of the Metropolitan Fireproof Warehouse, Inc., and a past president of the National Furniture Warehousemen's Association.

William R. Wood, secretary of the Liberty Storage & Warehouse Co., was reelected president and Edward J. Sullivan was continued as secretary.

James McGuire, of James McGuire, Inc., was elected first vice-president, and Barrett C. Gilbert, vice-president of the Gilbert Storage Co., Inc., second vice-president. William Eisen, president of L. Fink & Son, Aetna Storage Warehouses, Inc., Brooklyn, was chosen treasurer.

The directors elected are William T. Bostwick, president of the Thomas J. Stewart Co.; Frederick Kohlenberger, president of Jay Moving Service, Inc.; Grant Wayne, manager of the West End Storage Warehouse, Inc.; Charles D. Morgan, superintendent of Morgan & Brothers; Walter W. Weekes, secretary of Harragan's Storage Warehouses, Inc., Brooklyn; Charles F. Byrnes, president of W. L. Byrnes, Inc.; George H. Milligan, secretary of Lee Brothers, Inc.; Harry Weissberger, of the Weissberger Moving & Storage Co., Inc., and Daniel Schwarz, Sol Cirker and Bernard Herman.

N. Y. F. W. A. Tables "Tips" Resolution

THE New York Furniture Warehousemen's Association at its February meeting voted to table a proposal that the association consider it unethical for

WITH THE ASSOCIATIONS

its members or their employees "to give commissions or compensation to any building owner, manager, agent or employee for obtaining names of tenants or other information as to tenants or for facilitating them to obtain the tenants' business."

Many of the members present felt that theoretically the idea was one to be approved but that its practicability was questionable. Some of the speakers felt that the ethical members would be the sufferers from adoption of such a resolution.

Denver Association Adopts Uniformity

To insure better standards of service offered the public, the Movers & Warehousemen's Association of Denver recently adopted uniform estimating, packing, storage and moving schedules.

Wilfrid Redmond.

Capital's Local Holds Its Annual

ATTENDING the annual meeting of the Washington (D. C.) Warehousemen's Association, in March, were Martin H. Kennelly, Chicago, president of the National Furniture Warehousemen's Association, and Henry Reimers, Chicago, the National's executive secretary.

An invitation was extended to the National to hold its next winter convention at the national capital, as 1932 will be the year of the celebration of the two hundredth anniversary of the birth of George Washington.

C. A. Aspinwall, president of the Security Storage Co., continues as president of the Washington association, and Arthur C. Smith, vice-president of Smith's Transfer & Storage Co., Inc., as secretary.

St. Louis F.W.A. Reelects Stevens

THE St. Louis Furniture Warehousemen's Association at its recent annual meeting reelected, as president, P. M. Stevens, president of the Geitz Storage & Moving Co.; and as secretary, H. G. Rowe, secretary of the General Warehousing Co.

Kirschenbaum Heads Westchester Local

STORAGE executives in Westchester County, outside of New York City but within the metropolitan area, have organized a Westchester division of the New York Furniture Warehousemen's Association.

Benjamin F. Kirschenbaum, president of the Neptune Fireproof Warehouse, Neptune Storage & Van Co., Inc., New Rochelle, has been elected president of the division. Dennis O'Brien, president of O'Brien's Fireproof Storage Warehouse, Inc., New Rochelle, is vice-president. The secretary is Charles S. Haage, identified with the O'Brien company.

Harry E. S. Wilson



Relected president of Warehousemen's Association of Port of New York

Barge Canal Piers Used for Storage in New York State

WATERWAYS free storage is now a problem confronting merchandise warehousemen in New York. H. E. S. Wilson, president of the Warehousemen's Association of the Port of New York, reported at the organization's February meeting that New York State Barge Line Canal piers were being used for storage purposes.

The Barge Canal authorities, Mr. Wilson said, claimed the right to store merchandise, whether for trans-shipment on the canal or not, under the authority of the State's canal Act.

Mr. Wilson declared he had requested a citation as to the section of the law under which such power was claimed, but had received no reply.

The Port association has reelected officers as follows:

President, H. E. S. Wilson, president Campbell Stores (Hoboken, N. J.).

Vice-president, David L. Tilly, executive vice-president New York Dock Co.

Secretary, A. B. Harrington, president Republic Storage Co., Inc.

Treasurer, A. C. Pouch, president Pouch Terminal, Inc.

Chairman merchandise division, Walter F. Firth, secretary Beard's Erie Basin, Inc.

Chairman cold storage division, Herman Schram, president India Wharf Brewing Co. (Brooklyn).

Director, W. C. Crosby, president Fidelity Warehouse Co.

Up to March 13 Mr. Wilson had received no reply, from the Barge Canal authorities, in response to his letter requesting the citation mentioned in the foregoing.

Further Report of Annual Meeting of Pennsylvania F. W. A.

THE outstanding feature of the fourteenth annual meeting of the Pennsylvania Furniture Warehousemen's Association, in Philadelphia on Feb. 10, was the adoption of a resolution placing the organization on record as being opposed to uniform State and Federal regulation of motor vehicles. Details of this action and its background, together with the list of officers elected, headed by Walter E. Sweeting of Philadelphia, re-elected president, were published in the March issue of *Distribution and Warehousing*. Further information regarding the Philadelphia assembly, which with its evening banquet and entertainment was attended by about 170 executives, follows:

"Prior to reorganization," Mr. Sweeting said in his report as president, "the Pennsylvania association was really a Philadelphia association presuming to act in the name of the membership throughout the State. Now every member has equal voice and opportunity to participate. Unfortunately Pennsylvania has few large cities. As a result there are only two organized chapters but it is my hope that members in the Scranton-Wilkes-Barre territory will find a sufficient community interest to organize a chapter.

"During 1931 I look forward to greater committee activity. At a meeting of the board of directors last October there was approved a plan to work for the general adoption, by our members, of the policies, plans, forms and methods painstakingly worked out over a period of years by the National Furniture Warehousemen's Association. It is that work which I ask our committees to take on in the coming months. It would be a fine thing, indeed, if we could know that all our members carried out the National code of practice. Some of our members do not follow the procedure outlined in the National correspondents' shipping rules and failure to do so is oftentimes detrimental to the receiving companies. I suggest that our committees made a study of the development by the National association of various forms, rules and methods, and then make a survey of the extent to which National methods have been adopted by members of our State Association. I feel we will then be on the track of doing a very worthwhile work in our association."

Price Cutting

J. Wallace Fager, Philadelphia, in his report as secretary, declared that warehousing, while having suffered somewhat from the "crash," the eras of "profitless prosperity," "psychological depression," "readjustment," etc., seemed to have adjusted itself "about as successfully as most other businesses."

"Of course," Mr. Fager said, "we rode the crest of the wave during the boom period. Naturally, depression found us with too much warehouse space, too many trucks, in short the same over-

production which faced every business. It may be said that our attempts to hold fast in face of this condition have not been 100 per cent successful.

"Admittedly, there has been a certain amount of price-cutting, which every business man deprecates, but even that is not peculiar to the warehousing industry.

"Here and there some warehouse company may not be in as good shape as it was, but I think receiverships are less common in our own business than in many others. Certainly, our suicide rate is lower than among brokerage houses.

"In the shadow of this current business depression I see a 'bright spot.' We have forgotten the unparalleled prosperity which came to us when the whole world went crazy and everyone made money because he couldn't help it. Will Rogers calls this period the 'Dumb Luck' era. At least it was the 'Cost-Plus' era.

Economics

"Now we are turning to an intensive study of costs and economics. Business can no longer be run by rules and hunches. Association literature and minutes of meetings show the trend: warehousemen want facts. And that is a 'bright spot.' Now these facts may change our ideas of many things. For instance, the notion that notwithstanding business conditions there is a more or less fixed amount of storage business which must come to some warehouses irrespective of rates. 'We deal in a necessity,' we say. Funerals must come, yet the National Casket Co. finds that the reduction in the average amount spent for funerals reduced its profits from a million-and-a-half dollars to nine hundred twenty-five thousand. Ask your butcher, baker, or grocer just how much his customers can reduce expenditures for necessities. We must study ways and means to hold our average even in marketing a so-called necessity.

"We are learning to speak of profit frankly and openly, making it equally important with cost and overhead. The ultimate goal of any business enterprise is profit and there is no reason to soft-pedal the fact—it is nothing to be ashamed of. Proper rates are a prerequisite to profit. Appeals have been made for profitable rates on the basis of patriotism, the glory of an industry, the tradition of an association, the benefit of our competitors; but cleared of all this verbiage there is, after all, only one important reason for the profit which is rightly yours and that reason is—you.

"Your customer is vitally interested in your profit; she has a right to expect that you will still be in business when she wishes to withdraw her goods, that your financial condition will be such that you can take care of reasonable and just claims, and you can't do that on unprofitable operations. Associations and trade organizations bring together the members of an industry and work to insure you profit. That they help others in your industry to do the same thing is incidental, for you more than likely would

not join an association for the other fellow's good. But your industry is stabilized and general business helped by your association's activities, whether this interests you, or not. In this work warehousemen's associations seem generally to have had, by comparison with other lines, a fair measure of success.

"No sane man would claim that we, or any other warehousemen's association, has reached perfection; but our constant striving for better cooperation for our own profit challenges the description of a warehouseman as a 'poor business man.'"

John R. Scholl, a member of the Philadelphia bar and a tax expert, explained the gross receipts tax Act, which is an attempt by the State revenue authorities to collect 8 mills on the dollar of revenue received on transportation by commercial vehicles, which Act is regarded as discriminatory, favoring taxicabs, motorbuses and motor omnibuses, which are exempted.

Mr. Scholl told something of his work against the Act and of the opposition to it by the Pennsylvania Motor Truck Association, Inc. The plan of those opposed is to eliminate motor trucks therefrom, as well as horse-drawn vehicles, and yet preserve to the State the revenue it now receives, and also to eliminate from tax those vehicles not operating under a franchise. After a satisfactory bill has been presented to the Legislature, Mr. Scholl said, it was urgent for every truck owner in the State to get in touch with his legislators to have the bill passed.

Prior to the meeting the board of directors discussed the question of holding the next annual meeting of the association in some city other than Philadelphia, possibly Pittsburgh.

The board adopted a motion that it should follow the established custom of not approving the admission, to the N.F.W.A., of any Pennsylvania warehouse firm not already a member of the State association.

—K. H. Lansing.

Fort Wayne Association Reorganized

THE Fort Wayne (Ind.) Transfer & Warehouse Association, which functioned some years ago and then went out of existence, was revived at a meeting of storage and trucking executives in Fort Wayne Feb. 9, and officers were elected as follows:

President, F. D. Ryan, of the Klinger Trucking Co.

Vice-president, P. C. Archer, of the Archer Trucking Co.

Treasurer, H. J. Suelzer, of the Suelzer Trucking Co.

Secretary, George J. Baker, manager Pettit's Storage Warehouse Co.

Directors, William C. Roy, Roy Trucking Co.; Benjamin O'Brien, Minute Man Express Line, and A. H. Kammier, Kammier Trucking Co.

Warehousemen Complain to Washington Against Legislation in Ontario

THE Truckmen's and Warehousemen's Association of Rochester (N. Y.) has sent a letter to the Department of Commerce, the Department of State and New York Senators and Representatives in Congress complaining against "unfair" legislation in the Canadian Province of Ontario.

The communication contends that United States warehousemen shipping into Ontario "are obliged to contend with the following":

"1. Purchasing a Canadian license.
"2. Van cannot cross the border with more than one shipment. This eliminates our possibilities of profit through pool van shipments.

"3. We are obliged to pick up our return load in the same town or city in which we deposited the incoming load. If our in-coming load happens to be delivered to a small city or town our chances for a return load are practically nil.

"4. Posting a new bond equal to the valuation of the truck every thirty days at a cost of \$5."

These condition, the letter declares, do not affect the Canadian shippers, with the possible exception of purchase of a license. In conclusion:

"We desire to have this unfair Canadian legislation removed. If that is impossible, then Canadian truckmen should be obliged to contend with the same conditions for shipments into the State of New York. The legislation has completely stifled our transportation into Ontario and cannot be resumed until it is lifted. Your assistance is desired."

Harmer Now Heads Iowa Association

THE Iowa Warehousemen's Association at its annual meeting, in Des Moines on Feb. 6-7, elected as its 1931 president George H. Harmer, president of Calder's Van & Storage Co., Cedar Rapids. He succeeds Charles E. Dragoun, president of the Dragoun Transfer & Storage Co., Ames.

Paul Bekins, vice-president of the Bekins Van & Storage Co., Sioux City, was chosen vice-president.

Frank Burns, general manager of the Blue Line Storage Co., Des Moines, was elected secretary, succeeding D. R. Lynch, president of the Lynch Transfer & Storage Co., Cedar Rapids.

Cuykendall Heads Local in Wichita

AT the annual meeting of the Wichita (Kansas) Warehouse & Transfermen's Association, held on Jan. 27, officers were elected as follows:

President, Murray E. Cuykendall, manager Brokers Office & Warehouse Co.

Chairman of advisory board, the retiring president, George E. Rea, president Merchants Transfer & Warehouse Co., Inc.

Vice-president, A. E. Laird, Cassell Transfer & Storage Co.

Secretary, W. H. Ferguson, Bryan-Southwest Transfer & Storage Co.

Treasurer, Mrs. Elsie Taylor, secretary of the Bryan-Southwest firm.

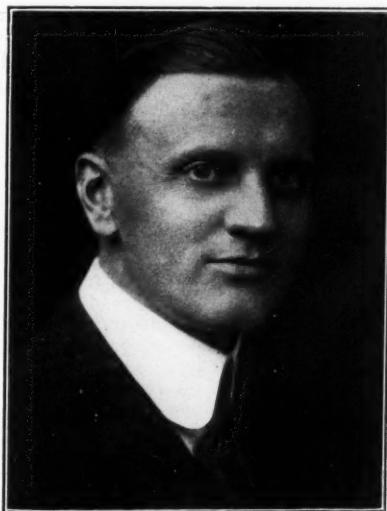
Director, V. A. LeKron, president Le Kron & Woodring Transfer & Storage Co.

Naylor Again Heads the Maryland F.W.A.

THE Maryland Furniture Warehousemen's Association at its recent annual meeting, in Baltimore, reelected as its president Lawrence A. Naylor, president of the Monumental Storage & Carpet Cleaning Co., Baltimore; and as its secretary H. G. Warfield, secretary of Graham's Storage Warehouse Co., Baltimore.

Thomas H. Vickery, president of the

Lawrence A. Naylor



Again president of the Maryland Furniture Warehousemen's Association

Baltimore Storage Co., Baltimore, was chosen vice-president; and H. E. Podlich, president of the Broadway Storage Co., Inc., Baltimore, was elected treasurer.

Harrison Now Heads Pittsburgh Chapter of Pennsylvania M. T. A.

AT the second annual meeting of the Pittsburgh Chapter of the Pennsylvania Motor Truck Association, at the Pittsburgh Athletic Club on March 10, John A. Harrison, of the Harrison-Shields Co., was elected president, succeeding James F. Keenan, president of

the Haugh & Keenan Storage & Transfer Co.

Hugh G. Walsh, secretary of the Haugh & Keenan organization, was re-elected secretary of the chapter.

W. B. Morris, of the Rieck-McJunkin Dairy Co., was chosen first vice-president, and D. D. Kirby, president of the Kirby Transfer & Storage Co., Inc., was elected second vice-president.

Further Report of the Convention of Texas Association

AS set forth in the story telegraphed from Houston to the March issue of *Distribution and Warehousing*, a feature of the annual meeting of the Texas Warehouse & Transfermen's Association, on Feb. 20-21, was the adoption of a resolution inviting the industry's operators in Oklahoma, Arkansas and that section of Louisiana west of the Mississippi River to join with the Texas body in organizing what would be called the Texas-Southwest Warehouse & Transfermen's Association. The action was taken on motion by G. K. Weathered, Dallas, reporting for the amalgamation committee. New members would pay the prevailing dues and would be entitled to all privileges.

The list of officers elected was published last month. The new president is O. E. Latimer, secretary of the Scobey Fireproof Storage Co., San Antonio.

Roy Binyon, Fort Worth, in his report as president gave credit to B. Frank Johnson, Fort Worth, the secretary-manager, for the successful growth of the association during the previous year. In that period the membership increased to 78 from 34 companies.

Mr. Binyon cited need of additional revenue for carrying on the work. He suggested a cooperative advertising campaign to educate the public through newspapers, the radio and billboards, and commended sale of space on vans as a new field of revenue. He added:

"I would like to see a change in the practice of the association in holding meetings of the executive committee. During the year there are occasions when the president and secretary feel the need of advice and counsel from the committee, and I would suggest that an amendment be made in the constitution which would require a meeting of the executive committee every 60 days."

The suggestion was referred to the executive committee for action.

Mr. Johnson in his report as secretary urged greater work for the association, pointing out that without research into the industry's existing problems little advancement could be made. He suggested cooperative buying of oil and gas; cooperative advertising, and uniform cost accounting.

President Binyon announced committee appointments—resolutions, W. I. Ford, Dallas, chairman, and A. L. Hernandez of San Antonio and J. F. Hunter of Texarkana; and nominating, J. P. Tarry, Wichita Falls, chairman, and J.

W. Crocker of Corpus Christi and S. P. Fleming of Houston.

"Ethics in Business" was discussed by Col. P. A. Weatherred, Houston, who said:

"When I began to think about ethics I began to wonder what the word meant, so I studied around a-bit and found that it is made up of two words. The first part comes from 'ethyl' a form of gas that is given for painful operations, and the second part 'hics' identifies the type of people.

"Sound business ethics must be set up if we are to expect any sound results. All essential business must be profitable. An unprofitable business cannot endure, and its existence works a hardship upon the community of which it is a part."

Mr. Weatherred went on to show certain business standards which governed sound business operation, how these standards must be adhered to if success was to be enjoyed, and what might be expected from those who thought they could slip one over on their competitors.

Edwin W. Ely of the Division of Simplified Practise of the Department of Commerce gave a short talk on the value of his division to the transfer and warehouse industry and what it was doing.

"Cost of Doing Business" was discussed by L. G. Riddell, Houston, who distributed ledger sheets showing how the time of his workmen was distributed over certain duties for each day in the week and how this time was allocated.

During 1930, Mr. Riddell explained, his total overhead was \$33,874. Distribution of overhead was as follows: merchandise storage, 22 per cent; merchandise handling, 8 per cent; household goods storage, 10 per cent; household goods handling, 1 per cent; furniture truck cartage, 11 per cent; packing, 8 per cent; miscellaneous labor sales, 13 per cent; general cartage, 27 per cent.

Merchandise labor handling was reported as costing \$1.39 per productive hour. Losses in the merchandise storage department during the year were \$1,600. Charges for labor reported were as follows: for recoopering and packing, \$1.25; for general labor, 75 cents; minimum charge for repairing, recoopering, etc., 75 cents. The first two figures are per hour.

Rates Low

The loss in the merchandise storage started a discussion as to rates, and it was generally agreed that those recommended by the American Warehousemen's Association and by the Tackett tariff of Texas were too low. G. K. Weatherred reported that last year his firm lost 20 per cent on storage handling; but that had a rate of 7½ cents per square foot been charged, it would have made approximately 5 per cent. Mr. Riddell stated he believed the present charge of 6 cents was too low, and that it should be 10 or 12 cents for handling.

The problem of productive hours and keeping men busy introduced a humorous angle when W. I. Ford reported that

when his men were not busy he sent them to the "domino parlor." It was explained that he gets his foremen together each night and they plan the next day's work. This is allotted so as too keep as many men busy all the time as is possible. However, under existing conditions, this was impossible, he said, and they endeavored to allot the work so as to give each man as many working hours for the week as could be arranged. When men are not busy, they have the "domino parlor" where they can while away the time until a job comes in. They are not paid for time spent in the "domino parlor."

Mr. Riddell reported that he had decreased his operating cost per hour by increasing his productive hours. During the last five months of 1930, he stated, his cost per hour was \$2.65, against \$3.03 for the first seven months. This had been accomplished by increasing the productive hours one and one-half hours per day. This cost was on the operation of a 2½-ton truck with two men. Depreciation of 25 per cent per annum was figured on this truck. Furniture truck moving cost \$4.97 per hour and sold for \$6.00 per hour. Three men were used, and the truck was busy on an average of 3½ hours a day.

The merchandise section was handled by Miss Claire Richardson who presided. She is business manager for the Corpus Christi Warehouse & Storage Co. and is the only woman member.

Billing Charges

In the absence of Roy Strong, O. E. Latimer read a paper, on his behalf, on "How to Secure Compensation for Shipments Under Changing Conditions." Mr. Strong told how his company had inaugurated a service charge for billing and marking when the railroads started their free pick-up and delivery, with a charge of three cents per hundred and a minimum of 25 cents. Mr. Strong reported that this company had experienced no trouble from his accounts for this charge, only one customer dropping out, and this an account which had not been satisfactory.

On motion by Mr. Ford it was voted that the association's secretary make an effort to appear at meetings of the American Institute of Banking in order to advise on warehousing service, operation and methods.

In the discussion of prevailing wages of labor, as suggested in the "question box," the following were reported:

Beaumont, 30c. an hour for common labor, drivers and helpers; 25c. an hour for extra, and 25c. an hour for colored. Dallas, \$24 a week average for white drivers; 30c. an hour for extra; nine-hour day. San Antonio, 30c. an hour for extra; 40c. to 50c. an hour for drivers; 30c. to 40c. an hour for helpers; ten-hour day. Wichita Falls, \$20 to \$24 a week for drivers; helpers 35c. an hour; straight time for overtime by all firms. Houston, 20c. an hour for extra; \$17.50 a week for drivers (all colored help). Fort Worth, \$22.50 to \$27.50 for drivers; 30c. an hour for extra.

Discussion on losses from bad accounts brought out that sums set up were insufficient in some instances. O. E. Latimer reported his firm setup \$150 for losses on bad accounts each month but that this sum was short \$400 last year. Benjamin S. Hurwitz, Houston, reported a sum of \$300 a month, made necessary for losses sustained in the sale of household goods.

The final day's session was devoted almost entirely to discussion of proposed bills which, now before the Texas Legislature, would affect warehouse or transfer operations. The proposed warehouse bill was discussed, with assistance from Judge C. W. Sterling, Dallas attorney employed by the association. G. K. Weatherred moved that a committee be appointed to further study this law and take necessary action to protect the interests of the association and its members. The committee appointed included R. B. Albaugh, chairman; W. I. Ford and E. D. Balcom.

Motor carrier bills were discussed with assistance from A. C. Newlin, of The White Company, stationed at Houston.

In order that just consideration might be given Class B carriers, who under a new law would be eliminated, a committee consisting of E. D. Balcom, chairman, O. E. Latimer and K. K. Meisenbach was appointed to go to Austin and appear before the Legislative committee in behalf of the association.

Mr. Ford moved that a resolution be adopted that the proposed gross receipt tax was unjust and would work a hardship greater than now being suffered. The motion was carried.

The reciprocity bill, which would permit trucks from other States to operate in Texas, without licenses, two trips per month, four days at a time, was approved, although the association went on record as favoring the Louisiana bill which gives full consideration without restrictions.

The household goods session was conducted with K. K. Meisenbach, Dallas, serving as chairman.

J. W. Crocker of Corpus Christi, who was to give an address on Long Distance Hauling As A Texas Member Sees It, was compelled to leave early and thus the convention missed some interesting points he had prepared.

Commissions

John Parks, Jr., responding to the question "Shall the Texas Association Adopt the National Rule on Commissions Payable When Taking Goods Out of Another Warehouse?" discussed briefly this subject, and a resolution was passed ordering the secretary to inform all members that it was considered improper to take goods out of another warehouse without paying a commission.

Mr. Meisenbach, discussing "New Developments in Household Goods Storage and Incidental Services; Proper Charges Therefor," brought out that for garment storage in Houston 5 per cent of the valuation was charged on furs, while 3

per cent was charged in Dallas and 4 per cent in San Antonio. He outlined how he had built up a small but profitable business in the storing of garments, saying he preferred dry storage to cold and that he used a gas in killing larvae and moths. De-mothing was, he declared, essential three or four times a year, and the season for storage was from May to October.

Mr. Ford made a motion, which was adopted, that it be reported to the membership that the association favored a handling charge in storing household goods, and that such goods be wrapped for storing.

A resolution was adopted thanking *Distribution and Warehousing* for sending a representative to cover the meeting.

Following the convention the members of the Allied Van Lines, Inc., held a meeting at which progress was reported for the association's operations in the Southwest.

Vigorous discussion on prevailing rates resulted in a motion to call another meeting to be devoted exclusively to rate construction. Some members were in favor of reduced rates, while the opposition held that to reduce rates at this time, especially when there was a possibility of transfermen coming under the Texas Railroad Commission, which would have the power to set minimum and maximum rates, might establish a bad situation.

Delegates to the convention were entertained at a banquet given at Loma Linda, a popular night club. The visiting ladies were entertained with theater parties through the courtesy of Mrs. Benjamin S. Hurwitz.

—B. C. Reber.

Regulation Bill Is Withdrawn in Texas

DUE to the activities of a committee representing the Texas Warehouse & Transfermen's Association a proposed bill for State regulation of warehouses is being withdrawn, according to B. Frank Johnson, Fort Worth, the organization's secretary. On the committee were William I. Ford, E. D. Balcom and R. B. Albaugh.

"It was explained to the Department of Agriculture," according to Mr. Johnson, "that the viewpoint of the commercial warehouses of Texas had not been embodied in the new bill and that the Uniform Warehouse Receipts Act, now in force in practically every State in the United States, had been re-worded to such an extent that the banking interests of the country might not accept the warehouse receipts of Texas warehouses as readily under the new bill as they had been under the present law. This explanation prompted the suggestion that the bill be withdrawn and re-written in conference with representatives of this association for submission to a subsequent session of the Legislature. This procedure was agreed to by all parties concerned."

Enter Ju-52

A FLYING freight car, the Ju-52, developed by the Junkers, of Germany, was placed on exhibition at a Berlin airdrome recently. This newcomer to transportation is intended for use in fast freight service on the Berlin—Istanbul-Bagdad line.

"It has," says a New York Times description, "a huge windowless fuselage supported by wings with a span of 108 feet, and will carry 6,060 pounds of freight. A new type Junker-Diesel motor with approximately 700 horsepower will be used.

"With a ton of gasoline the flying freight car has radius of about 740 miles, but the distance can be doubled by the use of extra tanks carried in the wings at the expense of useful load. The ship has been constructed to fly with 3,100 pounds of freight from Berlin to Istanbul in eleven hours."

Missouri W. A. Will Convene in St. Louis on April 17 and 18

THE annual convention of the Missouri Warehousemen's Association will be held at Hotel Chase, St. Louis, on April 17 and 18, according to announcement by George C. Dintelmann of that city, secretary.

Elmer Erickson, Chicago, recently elected general president of the American Warehousemen's Association, heads the list of speakers. He will discuss "The Value of Local Group Activities." Chester B. Carruth, Chicago, cost accountant of the American, is another scheduled speaker.

D. S. Adams, Kansas City, chairman of the American's national advertising campaign, and B. Frank Johnson, Fort Worth, secretary of the Texas Warehouse & Transfermen's Association, also are on the program.

Oscar Thomas, Kansas City, will lead the discussion on "Legislation." F. J. Lewis, Kansas City, will speak on "The 1931 Outlook." W. E. Lee, St. Louis, will discuss, "Have We Organized Competition?" August Driemeier, St. Louis, will lead a discussion of "Reducing Operating Expenses." Daniel P. Bray, Kansas City, has been assigned the subject "Does It Pay to Advertise?" Lee Orcutt, St. Louis, will tell "How Our Association Can Help the Different Warehousemen."

The annual banquet will be held on the night of April 17. Arrangements have been made for sports to include golf, baseball, horseshoe-throwing, etc.

—Roy M. Edmonds.

Canadians Receive an A. V. L. Charter

ANNOUCEMENT is made by E. A. Quigley, Vancouver, secretary of the Canadian Storage & Transfermen's Association, that a Dominion charter has been issued to the Allied Van Lines, Limited, of Canada. This will enable the Canadian association to work in direct cooperation with the Allied Van Lines, Inc., of the National Furniture Warehousemen's Association in the long distance transportation of household goods by motor truck. Officers of Canada's Allied are:

President, F. A. Magee, secretary City Storage, Ltd., Toronto.

Vice-president, J. H. Warren, vice-president M. Rawlinson, Ltd., Toronto.

Treasurer, C. F. B. Tippet, president Howell Warehouses, Ltd., Toronto.

Secretary, William Pickard, manager W. J. Pickard, Ltd., Toronto.

Mr. Magee has appointed as directors the association's president, George H. McKeag, president Security Storage Co., Ltd., Winnipeg, and the four officers.

"It is expected," according to Mr. Quigley, "that operating arrangements will be completed in the very near future and that the company will be in a position to receive applications for hauling and non-hauling agents."

"As the new company is to be controlled by the Canadian Storage & Transfermen's Association, only members of that body will be eligible as agents."

William Ford Is Learning to Walk

The "About Town We Saw—" "columnist" of one of the Dallas newspapers reported recently that he saw—"W. I. Ford, having conquered in a battle with an assassin called 'flu,' enjoying a Main Street sun bath and learning to walk all over again."

Indicating that the former president of the National Furniture Warehousemen's Association had virtually recovered from the illness which kept him away from the National's San Antonio convention last January.

Five-State Reciprocity

An automobile license reciprocal agreement among Indiana, Illinois, Michigan, Wisconsin and Iowa had been reached, Grover Garret, chief of the Indiana police department, announced in Indianapolis on March 12, following a conference, at Springfield, Ill., attended by motor and police officials of the five States.

Under the agreement, trucks not operating over specified routes on schedules will not be required to have licenses except in the States in which the owners maintain offices.

Seehorn Is Appointed Manager of Jennings- Nibley, Los Angeles

ANNOUNCEMENT has been made by the Jennings-Nibley Warehouse Co., Ltd., Los Angeles, that Frank C. Seehorn, nationally known in the merchandise storage business, has been appointed vice-president and general manager. Simultaneously it became known that Standard Investors, Inc., New York and Salt Lake City, has acquired a substantial interest in the company and will back a comprehensive development plan.

After being graduated from the University of Michigan, Mr. Seehorn joined the Seehorn Storage & Transfer Co., a Spokane, Wash., firm still being operated by his father and brother. Three years ago he took over the management of the warehouse of the J. D. and A. B. Spreckels Investment Co. in Los Angeles,



Frank C. Seehorn, new general manager of the Jennings-Nibley firm in Los Angeles

and resigned this position to join the Jennings-Nibley interests.

Veteran executives who attended the Pittsburgh convention of the American Warehousemen's Association in 1912 will recall one of Mr. Seehorn's experiences. He had just been married, at Walkerville, Ont., and he brought his bride to the convention but had intended to keep his plans confidential. The late Harry Leonard, of the Leonard warehouse interests in Detroit, learned of the marriage, and Mr. and Mrs. Seehorn were met with a brass band at the Pittsburgh railroad station. The bride was temporarily kidnapped but was allowed to rejoin her husband in time for the two to be introduced on the floor of the convention. They live today, with two sons, at Beverly Hills, Cal.

Smedley Reconstructs

The Smedley Company, New Haven, Conn., has completed reconstruction work on its warehouse at 165 Brewery

Street, which was swept by fire with loss estimated at \$150,000 on Nov. 23. One wing, razed by the flames, was not replaced. The other has been repaired, a new roof built, and the top floor, which was badly damaged, placed in order again.



An Independent Survey Confirms What Movers Have Long Suspected!

ANATIONAL survey of the moving industry has just been completed by the General Motors Truck Co., Pontiac, Mich., which announces conclusions that include the following:

Of thousands of families moving each year, "the majority of them want to make the change at the same time," and this has "direct bearing on the cost of moving and on the kind of service moving concerns are able to provide."

In the average community "movers' trucks are able to pay a profit to their owners on only 40 to 60 days of the year"—those days on which families "are clamoring to move; hence, the days on which moving concerns do not want business, yet find it easier to get," vans being overworked and drivers and helpers getting little sleep.

Americans are living in smaller quarters and own fewer household effects, and so "moving vans built several years ago of the size to carry the furnishings of an average household in a single load, now are too large for most jobs and are habitually underloaded, with consequent loss to the truck owner," thus making imperative today "new standards by which to judge present equipment and by which to select new."

The mover's special equipment is not easily adapted to other trucking operations and during most of the year the mover "is hard pressed to find profitable work for his equipment to do."

Keenan Admits His Personal Virtues Are Now Revealed

THE fact that James F. Keenan, president of the Haugh and Keenan Storage & Transfer Co., Pittsburgh, and a past president of both the National Furniture Warehousemen's Association and the American Warehousemen's Association, reached the age of 70 years on March 4, is noted in this month's "With the Associations" department (page 48). Telegrams, letters and gifts were so numerous that the Pittsburgh executive, reputed as a humorist, put aside the burden of responding individually; instead he sent back a "community letter," from which the following is quoted:

"The impression which I so long held of my own importance was never confirmed until March 4 last, the occasion of my seventieth birthday, when I finally concluded that my personal appraised valuation must be correct, because of the vast number of greetings and congratulations which arrived.

"The flow of letters, telegrams, flowers, green neckties and socks, conveying, in flattering terms, expression of the esteem in which I am held by my friends, was fully appreciated. In spite of the modesty for which the natives from the south of Ireland are noted and famous, I cannot but admit that my virtues and accomplishments have at last been revealed.

"The spirit of democracy which was so generously displayed in these communications convinces me that humble birth, poverty and old age are not barriers to fame in the ranks of the National Warehousemen's Association."

Remembrances reached Mr. Keenan from more than 125 storage executives in half a hundred cities in all parts of the country.

Stodghill Leads Fight Against a Trailer Tax

Kentucky's State Tax Commission having issued an order demanding license taxes on Kentucky trailers, W. L. Stodghill, manager of the Fireproof Storage Co., Inc., Louisville, has been appointed chairman of a special committee of the Motor Truck Club of Kentucky to fight the Commission's ruling.

The committee has engaged counsel, which has been instructed to take court action to prevent collection of trailer license fees on the ground that such a tax is unconstitutional because not authorized by the State Legislature.

Elks Honor Schramm

Louis Schramm, Jr., vice-president of the Chelsea Fireproof Storage Warehouses, Inc., New York City and Mount Vernon, N. Y., and vice-president of the New York Furniture Warehousemen's Association, has been elected exalted ruler of the Mount Vernon Lodge of the B. P. O. E.

1931 America Forward March

U. S. Supreme Court Will Hear Arguments in "Allowances" Case

DISTRIBUTION AND WAREHOUSING'S,
Washington Bureau
National Press Building

THE Supreme Court of the United States will on April 13 hear arguments in the legal controversy that has waged around the ruling of the Interstate Commerce Commission discontinuing the practice of granting certain allowances to Philadelphia contract railroads pursued for years by three large trunk line railroads. The case comes to the highest Court of the land on appeal from the District Court for the Eastern District of Pennsylvania.

In its findings on Jan. 10, 1930, the Commission upheld the contention of the complaining warehousemen, who charged that the practice of making the allowances in connection with the loading and unloading of package freight at the warehouses named was, in effect, the granting of rebates and was unjustly discriminatory and unduly prejudicial. The action was brought originally by James Gallagher, president of Gallagher's Warehouses; Walter A. Bailey, president of the Bailey Warehouse Co., and Rex & Co., Inc., all of Philadelphia, against the Pennsylvania, Baltimore & Ohio and Reading Railroads.

The contract warehouses involved are the Merchants Warehouse Co., Pennsylvania Warehousing & Cold Storage Co., Philadelphia Warehousing & Cold Storage Co. and Quaker City Cold Storage Co., all of Philadelphia. Petitions of intervention were filed by the Commercial Exchange of Philadelphia, Grocers' and Importers' Exchange of Philadelphia, Philadelphia Board of Trade, Philadelphia Bourse, and the Association of Manufacturers' Representatives.

Called "Ethical"

These intervenors as well as the defendant warehouse firms have contended all along that the practice, which had been in effect more than forty years, was ethical and practicable and that any disturbing of it would work a hardship on Philadelphia's commercial life.

It was shown that the allowance to one warehouse by the railroads amounted to \$200,000 in one year. If the practice was stopped, the intervenors and defendants argued, Philadelphia merchants would be compelled to pay an unloading charge of fifty cents a ton paid, under the old system, by the railroads.

The complainants have argued all along that the system in fact countenanced the payment of what amounts to rebates for the purpose of buying freight traffic controlled by the contract warehouses and causing it to be transported over the defendant carriers' lines. "The contract warehouses," they charged, "do not perform any task for the defendants that entitle them to receive allowances." The Interstate Commerce Commission agrees with the complainants.

—Robert C. McClellan.

Reilly Company, Brooklyn, Is Erecting a 10-Story Addition



Household goods depository, when completed, of Peter F. Reilly's Sons, Brooklyn

THE Brooklyn household goods storage company of Peter F. Reilly's Sons, finding its plant erected in 1925 a hundred per cent filled this past fall, is erecting a ten-story addition which will give the firm a warehouse 120 by 100 feet and 103 feet high, plus full basement, or a total of 1,356,000 cubic feet. The completed combination structure, going up under the supervision of Lewis & Leonard, New York architects and engineers, is illustrated herewith.

The new building will have an additional driveway, elevator and loading platform. Floors are being laid out to accommodate box storage whenever there is a demand. A notable improvement in the design is the small columns, only 20 by 22 inches, 20 feet on centers, to carry the ten floors with a safe carrying load of 150 pounds a square foot. This is being accomplished by using steel columns in conjunction with flat slab concrete floor construction. It not only saves space and avoids clumsy appearance of large concrete columns, according to the architects, but proves more economical.

To meet the needs of records storage, in which the Reilly company specializes, lavatories, heat and telephones will be installed in the upper stories. The telephones will have the hotel type receivers

recessed flush into the wall in metal boxes.

In the electrical equipment an economy will be effected by using "dead front" panels without covers, on each floor, to serve at the same time as gang switches on the floor.

The new heating system is designed to heat both buildings 100 per cent. It is the vacuum type and has two boilers for economic operation in mild and extreme weather. The boilers are heated with rotary type oil burners with automatic control.

Mehlfeld Manager of Winn & Russell

Following the death of Joseph L. Winn, president of Winn & Russell, Inc., Seattle, as reported in the March *Distribution and Warehousing*, announcement is made by H. P. Mehlfeld, secretary and treasurer, that the company's management will now be under Mr. Mehlfeld's direction, assisted by H. J. Winn, son of the late Joseph L. Winn.

Mr. Mehlfeld has been with the firm thirteen years.

"Forward March" Campaign Booming in the Newspapers

THE Van Deventer business articles "boxed" on these news pages are being read by millions of people in all parts of the United States. They are being published in 192 leading newspapers with a total circulation of a million and a quarter.

All this is part of the "1931 America Forward March" return-to-normalcy



campaign inaugurated several months ago by a group of business journals, including *Distribution and Warehousing*. Letters of inquiry received by the group indicate that the campaign is finding wide use in connection with spring business activities.

In other words the "1931 America Forward March" campaign is still very much alive, and *Distribution and Warehousing* will be glad to send a copy of the promotion plan, and samples of the materials—posters, placards, buttons, etc.—to business organizations interested in adapting the campaign to their use.

Curtails Present Plans for Government Plant

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building

TO keep within the appropriation made available, the office of public buildings and public parks has decided to proceed with plans for only one-half the Government warehouse projected at an estimated cost of \$1,700,000.

It was originally planned to construct the entire plant, between C and D and Seventh and Ninth Streets, at the price mentioned, the structure to have outside dimensions of 498 by 214 feet, but the necessity for curtailment of operations will require cutting this length in half. The second section, to be built some time in the future, will be a duplication of the section got under way this year.

The structural plan is now in process of formulation. It is planned to complete the drawings and specifications in time to invite bids not later than June 1. At least nine months will be required to complete the building, the department in charge estimates.

This building will not result in competition with privately owned warehouses, it has been assured. The structure will serve a twofold purpose, as it will furnish a storage place for Government supplies, and will serve as a model for warehouse construction, as it will embody the successful features and eliminate the unsuccessful departments of the many warehouses visited and studied as a groundwork for the Government structure.

—J. J. B.

Miss Billie Brown Has Recovered from Accident in January

MISS BILLIE BROWN, daughter of C. H. Brown, president of the Richmond Storage Warehouse & Van Co., West New Brighton, Staten Island, N. Y., has recovered from an accident which she sustained when she fell from a New York, New Haven & Hartford Railroad train in January.

This information is published in view of the report circulated at the San Antonio convention of the National Furniture Warehousemen's Association, of which Mr. Brown is a member, that Miss Brown had died as a result of her injuries.

Miss Brown is a student enrolled at the Connecticut College for Women, at New London, Conn. After the Christmas holidays, while returning from New York to New London, she fainted while on a train platform and in some unexplained manner fell to the ground. Later her unconscious form was discovered beside the tracks. Identification was made through her pocketbook found on the train. She was removed to a hospital, where it was determined that she had sustained concussion of the brain. Her skull was not fractured, as first newspaper reports indicated. No bones were broken but she suffered severely from shock.

It will be recalled by many N. F. W. A. members that Miss Brown, of athletic type, fond of swimming and horseback riding, attended the National's convention at Boloxi, Miss., in January of 1930.

Petersburg Plant Is Under New Ownership

The American Bonded Warehouse, Inc., Petersburg, Va., has been acquired by the Stone Farm Association and its name is now the Petersburg Bonded Warehouse, under the management of Allen J. Seville.

When the structure was erected about a decade ago it was known as the Southern Bonded Warehouse and for a time the president of the operating company was Sidney Green, now southern representative of the Gerstenslager Co., van body builders of Wooster, Ohio. Later the building was acquired by a realty corporation, which carried on the business under the American's name.

The Family Album's Outline of Career of Elmer Erickson

(Concluded from page 19)

The Illinois association has worked out a code of ethics for its one group and Mr. Erickson is proud of this. It is a sign of progress in the industry, he says. The code was published in the March issue of *Distribution and Warehousing*.

He took up his duties as president in 1923 and about the same time he was acting as one of the directors of the old Central Warehousemen's Club. When the Central and American associations were merged, J. Eggar Lee, also of Chicago, was made general president of the A. W. A. and Mr. Erickson was named by the general board as general secretary. His work was primarily getting records having to do with the division of the associations. He had an active part also in the plans and arrangements for the French Lick, Los Angeles and Biloxi conventions of the American, serving as secretary of, then as chairman of, convention committees. In 1930 he was chosen general vice-president of the association and on Jan. 31 of this year he was elected general president at the Atlantic City convention.

A Hoover Appointee

In December, 1929, following the stock market collapse, when President Hoover created the National Business Survey Conference composed of seventy-two prominent business executives connected with various industries, Elmer Erickson was chosen as one of the number, and in this capacity he makes periodical business reports, having to do with warehousing, to Julius H. Barnes, president of the Chamber of Commerce of the United States.

As a youth in Chicago's schools Mr. Erickson studied painting with an eye to becoming a commercial artist. (He has a brother in that profession.) He still confesses to a keen relish for good literature and good canvases, but at an early age he decided to make art a hobby rather than a business. He has not painted now for a long time but he can still work up a rage going through some of the present day galleries. He has a flair for proportions, dimensions, colors.

The Family

One thing now interests him more than art—his family, consisting of Mrs. Erickson, John David, aged 7 and Barbara, 10. They live in Oak Park, Ill.

Mr. Erickson is past commander of Oak Park Post of the American Legion and has given it his time and support for many years. He is a Rotarian as well as vice-president of the Central Manufacturing District Club of Chicago. In the Rotary Club of Chicago his membership is listed under the classification "Merchandise Warehouseman."

Douglas-Weil Will Operate Army Base Unit, New Orleans

BACK of the brief announcement, in the March *Distribution and Warehousing*, that the Douglas Shippers Storage Corporation had been organized in New Orleans with W. H. Douglas as president and Jay Weil as vice-president, is the development that these two executives, respectively president and vice-president of the Douglas Public Service Corp., Inc., are to give the port a modern general commodity public warehouse on the waterfront.

Contracts for this project have been signed. One unit of the six-story Army Supply Base has been sub-leased to the new corporation. This sublease involves 504,000 square feet of sprinklered space and will extend over a period of twenty years at a rental of \$65,000.

"The transaction is declared to represent a radical change in the operating policies of the Dock Board and to pre-empt other policy revisions in line with changing conditions," according to the Leigh News Service, New Orleans. "John McKay, general manager of the Dock Board, declared that the consideration of the sub-lease is \$65,000 a year, which he said is the amount the Dock Board is obliged to pay the War Department as lessee.

"There are other considerations involved in the deal, including certain supervisory rights retained by the Dock Board over rates and regulations of the warehouse company. From other sources it was learned that additional requirements imposed under the terms of the lease are estimated to represent a total cost to the warehouse concern of approximately \$135,000, the first year.

"The new shipside corporation, it is asserted, is composed exclusively of stockholders of the Douglas Public Service Corp.

"The transaction is irrevocable for the period of the lease, so far as the Dock Board is concerned. The lease for the Army Supply Base was negotiated by the Dock Board with the War Department last fall when a heavy inward movement of cotton called attention to the need of obtaining additional warehouse space at New Orleans. The transaction as finally effected involved the closing down of the International Trade Exhibition, which was occupying space in the building at a nominal rental. Soon after the conclusion of the negotiations with the Government the movement of cotton into the city fell off and General Manager McKay of the Dock Board announced that advertisement would be made for public bids from warehousemen of the city who might wish an opportunity to acquire the unit of the Base and operate it as a shipside warehouse.

"When the Dock Board met in December to open bids, it is said, Mr. Weil was the only warehouseman present, the Douglas company having been the only concern to submit a bid. After subsequent negotiations the Board closed the

sub-lease with the new corporation organized by the Douglas interests.

"The plan of operation proposed for the new utility, it is declared, will provide a storage place where railroads and barge lines can meet on equal terms, giving shippers a choice of routes under the most advantageous conditions. Heretofore, under the Dock Board policy, no private concern could operate a public warehouse on the riverfront, this principle having been adhered to by a former board in a long controversy with the Appalachian Warehouses."

The new firm is capitalized at \$100,000, instead of \$1,000 as stated last month.

Bridgeport Blaze

A one-story warehouse occupied by the Cavanagh Motor Transportation Co., Inc., at 1027 Railroad Avenue, Bridgeport, Conn., was wrecked by fire on March 14 with loss estimated at \$5,000, partly covered by insurance. Two trucks loaded with office furniture were burned.

Position Wanted

EXPERIENCED warehouse operator, at present employed, desires to make a change. Sixteen years' experience in all branches of the industry, both dry and cold storage. Thoroughly conversant with all details. Solicit inquiries from responsible companies and executives who could utilize the services of an experienced warehouseman. Age 36, married. References. Replies strictly confidential.

Address Box C-656, care of *Distribution and Warehousing*, 249 West 39th Street, New York City.

Crescent Development

The Crescent Wharf & Warehouse Co., Terminal Island, Los Angeles Harbor, has applied to the State Railroad Commission for authority to sell its operative rights and property for a public utility warehouse, now under construction, to the Crescent Warehouse, Ltd., the seller to cease as a warehouse firm.

Reciprocity Bill Enacted in Texas

The Texas House of representatives on March 12 passed the motor truck reciprocity measure which had been fostered by the Texas Warehouse & Transfermen's Association. It went into effect on signature by the State's governor on March 18.

The bill provides that out-of-State trucks may enter Texas twice each calendar month and remain four days on each trip. As originally written, only two days would have been allowed.

THE HEN OR THE EGG?

By JOHN H. VAN DEVENTER

All of the present discussion as to whether production depends on consumption, or vice-versa, reminds one of the old question about the hen and the egg. Which came first? No one has been able to answer conclusively. But the question as to whether production or consumption must come first in building a nation's wealth should not be so much of a sticker.

1931
AMERICA

★ ★ ★ ★
FORWARD
MARCH

It is the use of a medium of exchange for our convenience in doing business that obscures the way to the answer to this production-consumption problem in the mind of the average man. If we take a look at it without letting money equivalents come in between, it is not difficult to see that consumption depends on production.

Take a look at it on the "pie basis," for example. No one can eat a pie unless someone first bakes and makes it. Nor can a group of people eat more pies than are made and baked. If pies were the only things that human beings needed to make them healthy and happy, pies would constitute the real wealth of the community, and this wealth would be limited first by the ability to produce great quantities of them and second, by the ability to consume the number produced. There might be more pies made than people could eat. But that would not be until everyone had his pie appetite satisfied.

As soon as a medium of exchange is introduced the problem becomes more complicated. If the money is too unevenly distributed we may find a condition of pie overproduction occurring long before everyone had all the pie that he wanted or needed, simply because of a lack of money in certain quarters to buy them.

We need so many more things than pies to keep us satisfied that real overproduction, from the standpoint of everyone having more of everything than he could use, is almost unimaginable.

The problem of increasing wealth and keeping the standards of living progressing depends on a wider diffusion of buying power. The consuming power we can forget about, it is already there.

We must find some way to put a larger share of the nation's annual wealth into its pay envelopes. That is the most practical way to finance consumption and stimulate production.

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Van Nuys Firm to Build

The Van Nuys Transfer & Storage Co., Van Nuys, Cal., has announced plans for a two-story fireproof warehouse, 100 by 100 feet, to cost \$20,000, for storage of household goods. Land and structure will involve an investment of \$30,000, according to V. D. Slocum, owner.

Mover Killed

John Done, employed by Henry G. Drinkwater Sons, Inc., Greenwich, Conn., fell down an elevator shaft from the seventh floor to the basement while moving furniture in an apartment house in East 72nd Street, New York City, on March 19. Done, who was 50 years old, was instantly killed.

Utility Commission Control Is Sought by Cold Storage Warehousemen in New Jersey

AN effort is being made by cold storage warehouse interests of New Jersey to have that industry defined under the law as a public utility and, as such, regulated by the Public Utilities Commission of the State. A bill providing this has been introduced in the Legislature.

Support for the plan comes from A. N. Granzen, Port Newark, president of the New Jersey Merchandise Warehousemen's Association, and Frank A. Horne, president of the Merchants Refrigerating Co., which operates plants in Newark and elsewhere. Mr. Horne also is chairman of a national committee representing the cold storage industry.

One feature of the movement is that the purpose of the bill, according to Mr. Granzen, "is to safeguard the consumer against the creation and perpetuation of monopoly, to foster and encourage competition."

One general characteristic of public utilities, justifying their regulation by the State, it is pointed out, is that they enjoy certain public grants or privileges or use certain public property in the giving of their services. Cold storage warehouses do not.

The public utility law designates what are public utilities, mentioning, among others, electricity, gas, water, telephone, street railway facilities, such as trolley cars and buses, and sewers. The bill would add to the list "any cold storage warehouse in which food is commonly stored for thirty days or more and which is artificially cooled to or below the temperature above zero of forty-five degrees Fahrenheit."

Some States already have made warehouses of different kinds subject to the jurisdiction of the regulatory bodies, but generally in a limited manner. Illinois, by statute passed in 1921, placed warehouses within the jurisdiction of the Utilities Commission, but such jurisdiction is limited to warehousing of grain—including elevators and storage houses where grain is stored for compensation.

In California, in 1919, jurisdiction was given to the regulatory body of warehousemen who maintain properties, buildings, warehouses, elevators or plants "in which food commodities regularly received from the public generally are stored for compensation, including cold storage plants and refrigerating plants."

In North Dakota, in 1919, the Utilities Commission was given jurisdiction over "warehouses, packing and cold storage companies for the marketing, storage and handling of food and other agricultural products."

Minnesota gives its State Railroad and Warehouse Commission jurisdiction over warehouses doing business in cities and villages having a population of 5000 or more.

In arguing for the proposed New Jersey measure, Mr. Granzen explains:

"Food warehousemen are engaged in

a business which tends somewhat to monopoly. By reason of this tendency, and by reason of the vital function our industry performs in the distribution of food supplies, it is necessary that every possible step be taken to protect the public from any sort of irregularity tending to raise prices, either on the part of the food speculators or even on the part of an unscrupulous warehouseman.

"The cold storage industry is charged with a public responsibility and should be controlled for the public welfare as a utility. As a general rule, warehouses are conducted along sound and ethical lines. Without restriction, however, there always exists a dangerous possibility for secret agreements and price manipulation. We want to remove every loophole which now exists for the unscrupulous operator. The majority of reputable warehousemen should not be made to suffer for the wrongdoing of the few.

"Here is New Jersey we are a part of the world's greatest center of wealth and of food distribution. The metropolitan area, which includes a considerable portion of New Jersey, has 12.4 per cent of the nation's wealth, and its importance as a center for storage and distribution of food is in proportion.

"Public cold storage warehousemen have no direct control or check at the present time on gambling in food products. Nevertheless their perishable food products, as now stored in refrigerated warehouses, are ever available for large unscrupulous operators who would use the warehouses in cornering the market."

In a statement by Mr. Horne concerning the proposed measure, he says that in the metropolitan area in New Jersey, including Newark, there are 17,000 cubic feet of refrigerated space available.

The proposed extension of jurisdiction of the Public Utilities Commission over cold storage warehouses is not favored by Joseph F. Autenrieth, president of the Commission. He does not believe that it is a business susceptible to adequate or efficient regulation.

"In my judgment," Mr. Autenrieth declares in a letter to a member of the Essex delegation to the Legislature, "the business of the cold storage warehouse does not in any sense lend itself to monopolistic features any more than any other class of private business. It has grown up through the years entirely competitive in character. If regulation must establish rates and earnings for such an industry, it must by the same token clothe the industry with monopolistic characteristics and protect it from undue competition and the development and growth of other similar business in the field in which the existing warehouses may be serving. This, in my opinion, would be decidedly against the public interest."

At another point Mr. Autenrieth states:

"The business [cold storage warehousing] does not have inherently a public interest any more than the furniture business, the automobile business or the

INCREASING CUSTOMER LISTS

By JOHN H. VAN DEVENTER

From the business man's standpoint, a decreased volume of business, in dollars, is not nearly as bad as a decreased number of customers or accounts.

Every time you put a customer on your books, you are establishing a new money pipe line leading into your till. During dull times, the flow of dollars over such pipe lines is naturally reduced, in some cases becoming a mere trickle. The big point is to keep the lines from becoming broken or from being switched to a competitor. If this is done, you are sure to see your volume increase when the frozen pocketbooks at the other ends of the pipe lines begin to thaw out.

The manager of a popular priced restaurant in a large city expressed the idea as follows: "We are feeding more people per day now than we did a year ago, although the average check has dropped from 50 cents per person to 30 cents. While we are taking in less money, we are making every effort to give better service and quality, knowing that if we can hold our number of customers our volume in dollars will come right back again when they feel more prosperous."

A large manufacturer of small split rings known as "lock washers" which are used to keep nuts from jarring loose from bolts, took a serious cut in business volume when the automobile industry, his chief market, began its toboggan slide. He at once began an intensive sales promotion drive to make new contacts in other industries, with the result that in the past nine months, he has doubled the number of customers on his books. While his volume in dollars is less than it was a year ago, he feels that he is "sitting pretty," and with so many new pipe lines established it will not take long to pump up his dollar volume when the pick-up comes.

Don't worry about how much your customers are spending, but give some serious thought to how many pipe lines you've kept intact.

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storage warehouse business for personal effects, such as household furniture, or safety deposit vaults in banks where storage space is hired out for compensation. It does not lend itself to the type of business that should be monopolistic in character.

"To attempt to add to regulation as it now exists this class of business would be destructive ultimately of all regulation, as it is apparent that in the manner proposed no adequate or efficient regulation could be had; that the nature of the business itself is beyond the scientific legal principles that have been developed in the past with relation to the theory of State regulation."

Mr. Autenrieth is of the opinion that cold storage warehouses may properly be subject to various functions of State control with relation to sanitation and hygiene, but believe it should be done by specific legislation and not by inserting that type of business under the general broad powers of the public utility statute.

Federal Barge Line to Extend Operation to Illinois River

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

HOLDING that the law placed on it a mandate to do so, the Interstate Commerce Commission has issued the Inland Waterways Corporation a certificate of public convenience and necessity for the extension of barge line operations to the Illinois River. In the same order it requires rail carriers to join with the barge line company in establishing, via routes of the Inland Waterways Corporation between Illinois River ports and St. Louis and other ports south, through routes and joint rates on classes and commodities. The present order is the fifth supplemental report made by the Commission in Ex Parte 96, dealing with through routes and joint rates between the Inland Waterways Corporation and other common carriers.

The order is principally interesting because it indicates that the Government barge line soon will extend its operations to the Illinois River. In its discussion of the case the Commission states:

"The barge line now seeks to extend its operations to the Illinois River from its confluence with the Mississippi River, where, it is stated, connection will be established with the Upper Mississippi Division of its present operations, to Joliet, Ill. It has filed an application under section 3(e) of the Inland Waterways Corporation Act, as amended, for a certificate of public convenience and necessity for such additional operation on the Illinois River and for the establishment, in connection with its water transportation lines, including such Illinois River operations, of through barge-rail and rail-barge-rail routes and joint differential rates on classes and commodities."

Some of the ports of call on the Illinois River are Joliet, LaSalle, Peoria, Pekin and Havana.

The rail carriers objected to the granting of the certificate but the Commission held that it had no discretion under the law and "that, in so far as present or future operations by the barge line under mandate of Congress are concerned, the question of public convenience and necessity is plainly foreclosed and that therefore we may without hearing issue a certificate for such operation."

"We also found," the Commission states, "that upon the issuance of such a certificate we are required forthwith and without hearing to direct all common carriers by rail connecting with the barge line, together with their rail connections, to join with it in through routes and joint rates with reasonable rules, regulations, and practices, and to fix such rates in terms of a relation with the corresponding all-rail rates; and that we are further directed to require all carriers which are parties to such

joint rates to enter into negotiations with the barge line with respect to the division thereof within 30 days after the rates are established."

After setting forth conditions under which through routes and joint rates will be required, the Commission orders these routes and rates established. The differential whereby the rail-barge, rail-barge-rail rates shall be lower than the all-rail rates ranges from 10 to 20 per cent of the lowest rail rate between the ports between which the shipments move by barge.

The effective date of the Commission's order is July 1, 1931.

Lawrence Field Warehouse System Extended to Territory in Texas

(Concluded from page 40)

plant enables the manufacturer to procure necessary credit at all times to finance his inventory. Not only does it enable the manufacturer to hypothecate his inventory at a very low cost, but at the highest percentage of its value at the lowest interest rate.

"Among other advantages offered to the bankers are the eligibility of loans on warehouse receipts for rediscount at the Federal Reserve and the use of Lawrence warehouse receipts as a basis for bankers' acceptances which has during the past few years reached tremendous proportions.

"This system of warehousing opens up a new avenue of business for bankers. It enables the banker to make loans which he would otherwise decline. Not only do Lawrence warehouse receipts give the banker the utmost in security, but they offer him a type of security that enables rediscounting with the Federal Reserve Banks."

Nutting Announces New Piano Trucks

THREE new piano trucks, all steel with Nutting casters, have been introduced by the Nutting Truck Co., Faribault, Minn., and Chicago. One of a grand piano truck with three casters and extension arms easily adjusted to carry an instrument of any size. Another is an upright piano truck designed to go through narrow doors and aisles. The third, also for uprights, holds the piano in an underslung saddle.

All the casters are equipped with Hyatt roller bearings and ball-bearing swivel plates. Alemite lubrication is provided. The disc wheels are in two parts, for easy removal of worn-out tires. The rubber used in the tires is proved by tests, according to the company, to be exceptionally long wearing.

When you ship goods to a fellow warehouseman—use the annual Warehouse Directory.

CHANGE STIMULATES CONSUMPTION

By JOHN H. VAN DEVENTER

Style changes have been found effective in stimulating consumption. That is why we have them. Manufacturers and merchants have discovered that people will not wait for things to wear out before replacing them, if something new and attractive is produced which makes the old products seem out of date or less desirable.

This stimulating effect of change has been used to get business even during the depression. One cosmetic producer found that sales were slowing up, so he designed a complete line of new packages and containers embodying a modern decorative motif for the old product. As soon as the new packages were displayed by the dealers, sales jumped to a level higher than the best record of 1929. One might ask whether people were buying containers or the product contained by them. Nevertheless the package often sells the product.

A department store manager, sensing the psychology of change, recently had a complete revision made of floor space and show case and counter arrangements. Sales were immediately stimulated. He believes that such revisions in the physical appearance of old established stores are necessary if they are to compete with the interest displayed by the public in new ones.

A sales manager of a machinery house tried the experiment of rotating salesmen's territories. He believes that prospects get used to the personality and sales approach of the salesman who calls upon them repeatedly, and that it is good business to have them meet a new man whose sales technique is not known to them. He reports the experiment as being successful.

Model changes have been one of the most effective sales stimulants in the automobile business. But the makers are beginning to wonder if yearly changes in such expensive products are not going a bit too far both from producers' and consumers' standpoint.

Changes would not be successful in stimulating demand unless people wanted them. And finding out what people want before they know what they want is one of secrets of merchandising.

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Union Terminal Co. in Los Angeles May Sell Plant and Truck Fleet

THE Union Terminal Warehouse Co., Los Angeles, early in March applied to the California State Railroad Commission for permission to sell its warehouse and a fleet of motor trucks to the Pacific Motor Transport Co.

The transportation business of the Union Terminal includes a franchise between metropolitan Los Angeles and the harbor.

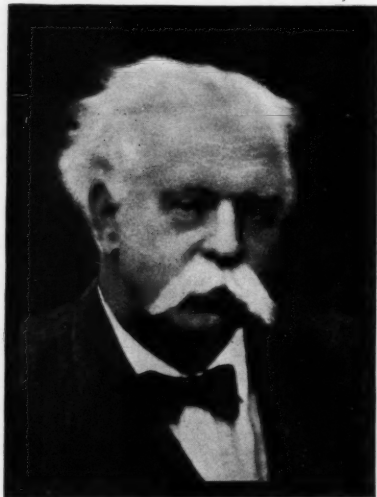
The Commission promised an early hearing on the application.

Gerald Fitzgerald, chairman of the board of the Banning Company, harbor stevedores, is president of the Union Terminal, which, established in 1916, operates the Associated Terminals Co., San Francisco.

Death Removes William Wiley of Galveston

WILLIAM WILEY, president of the Wiley & Nicholls Co., a merchandise and household goods storage firm in Galveston, Tex., died on Feb. 14. He was a member of the American, National and Texas warehousemen's associations.

In the early seventies, Mr. Wiley, after serving as lumberjack and fisherman in the Great Lakes districts, became a mate on a vessel carrying cotton exported to Finland. A voyage took him to Galveston and he liked the port and settled there, in 1880, finding employment with R. P. Sargent, operating a firm transferring cotton from compress and con-



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centration sheds to shipside. About six years later Mr. Wiley acquired an interest in the business and, in association with George H. Nicholls and G. M. Steirer, formed a partnership which operated as the Wiley & Nicholls Co. In 1899 Mr. Nichols and Mr. Steirer relinquished their interests to Emil Eggers, now the firm's secretary and treasurer, and F. W. Chase and J. L. Sterling, and the company was incorporated in that year.

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With his three brothers, Joseph Crooks of Kansas City and H. D. Crooks and Thomas A. Crooks of Chicago, Mr. Crooks was associated in the business which bears their name. He had lived in Kansas City since the establishment of their warehouse there. During the World War he served in Europe with the medical corps. He was a member of the Kansas City Club.

Mr. Crooks is survived by his widow, Mrs. Marie Crooks, and four children, William P., Jr., Mary Ann, Aline and Kathleen, who were with him in Colorado and his father, David L. Crooks of Chicago.

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New Ohio Firm

The Bartlett Transfer Co. has been incorporated in Norwood, Ohio, with a capitalization of \$10,000.

AIR TRANSPORTATION —AN EXPANDING INDUSTRY

By JOHN H. VAN DEVENTER

Whenever, during past decades, American industry and business have encountered a breathing spell, some new development has come forward to provide new impetus for forward progress.

Railroad expansion was one of the early instigators of activity, which kept us busy supplying demands for rails, locomotives, cars and other equipment.

And when the railroad network had stretched its spiderweb of steel across the prairies and deserts of our frontier states, a new product of inventive ingenuity appeared which was destined to keep our mills and factories busy. This was the automobile.

It is significant that both of these major developments, which served to stimulate industry so effectively, had to do with transportation. Especially so, when many are predicting a similar era of intensive development of aircraft.

Has the recent depression put a damper on flying? One would not think so from the record of the scheduled air lines. For the 208,357 passengers carried by them during the first six months of 1930 represents a fourfold increase over the number carried in the corresponding period of 1929.

And the airlines are but a part of our total flying activities. According to the aeronautics branch of the Department of Commerce, more than a million persons were carried through the air as passengers during the first six months of last year.

Air mileage, represented by the miles flown by scheduled transport planes, increased nearly 80 per cent. During the first six months of 1930, the total was 16,902,728 miles, as compared with 9,201,338 in 1929.

Intensive developments are now underway which promise to give even more impetus to flight in the immediate future. During the next few years we are likely to see flying put on a par with ground transportation from the standpoint of safety. The term "flyaway Detroit," or "flyaway New York," recently coined, may become as common as its parallel F.O.B. has become as a term in transportation.

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Boston Terminal of the Empire Freight Co., Inc.



These headquarters, recently enlarged, for household goods forwarding, is located on the Boston & Albany railroad

Frozen Meat and Fresh Fruits Are Up in Cold Store

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

ALTHOUGH cold storage holdings of frozen meats increased measurably between March 1, 1930, and the same date this year, frozen poultry holdings took a decided drop in the same time, with little or no change in the holdings of dairy products and with an increase in the holdings of fresh fruits.

According to the Department of Agriculture the holdings of frozen meats increased from 976,540,000 on March 1, 1930, to 1,016,686 pounds on the same date this year, as compared with a five year average of 939,752,000 pounds.

Holdings of frozen poultry dropped from 133,172,000 pounds on March 1, 1930, to 95,196,000 pounds on the same date this year. The five year average was 110,131,000 pounds.

With the exception of barreled apples, holdings of all fresh fruits showed an increase in the same year.

Under the heading of frozen meats, holdings were as follows: frozen pork, 269,212,000 pounds on March 1, as against 217,942,000 pounds on the same date last year; frozen beef, 47,290,000 pounds, as against 69,800,000 pounds last year; frozen lamb and mutton, 3,589,000 pounds, compared with 5,408,000 pounds; cured beef, 10,223,000 pounds in process of cure and 10,047,000 pounds cured, as compared with 11,600,000 and 14,198,000 pounds, respectively; dry salt pork, 134,960 pounds, as against 118,702 pounds; pickled pork, 523,752,000 pounds, compared with 373,971,000 pounds; miscellaneous meats, 92,562,000 pounds, compared with 89,970,000 pounds; and lard, 75,450,000 pounds, as compared with 111,914,000 pounds on March 1, 1930.

Under the classification of frozen poultry there was held in cold storage on March 1: 11,533,000 pounds of broilers, compared with 19,482,000 pounds on the same date in 1930; 8,105,000 pounds of fryers, as against 11,082,000 pounds; 27,909,000 pounds of roasters, as against 37,424,000 pounds; fowls, 19,573,000 pounds, compared with 17,510,000 pounds; turkeys, 8,557,000 pounds, compared with 14,388,000 pounds; and 19,519,000 pounds of miscellaneous poultry this year, compared with 26,348,000 pounds last year.

The holdings of fresh fruits included: 484,000 barrels of apples on March 1, compared with 897,000 barrels on the same date last year (the only class to show a decrease); 11,337,000 boxes of apples, against 7,282,000 boxes; 2,855,000 bushel baskets of apples, compared with 2,805,000 baskets; 816,000 boxes of pears, against 512,000 boxes; and 24,000 bushel baskets of pears, as against 6000 baskets last year.

Holdings of dairy products were as follows: creamery butter, 30,595,000 pounds, as against 46,530,000 pounds; American cheese, 47,884,000 pounds, against 47,818,000 pounds; Swiss cheese,

8,362,000 pounds, compared with 7,417,000 pounds; brick and munster cheese, 654,000 pounds, compared with 1,065,000 pounds; limburg cheese, 473,000 pounds, compared with 810,000 pounds; all other varieties of cheese, 473,000 pounds, compared with 4,781,000 pounds; case eggs, 407,000 cases, compared with 84,000 cases; and frozen eggs, 73,737,000 pounds on March 1, as compared with 35,192,000 pounds on the same date last year.

—Robert C. McClellan.

Position Wanted

MAN, now employed, with ten years' experience in merchandise warehousing — five years as manager — will be available after April 1.

Has specialized in development of new business and desires connection where his experience may be used to advantage. Best of reference.

Address Box E-857, care of **Distribution and Warehousing**, 249 West 39th Street, New York City.

New Warehouse Firm Formed in St. Louis

The Rutger Street Warehouse, Inc., is a new storage and forwarding firm established in St. Louis. Its five-story plant, containing 300,000 square feet of floor space, at Main and Rutgers Streets, was formerly occupied by the Gardner Motor Co., automobile manufacturers. It is on the tracks of the Missouri Pacific and the Railway Terminal Association, and the Rutgers Street docks of the Federal Barge Lines are nearby.

George Ker, formerly with the Gardner interests, is president of the operating company. Charles W. Dodge, for the past thirty years in the warehouse and storage business in St. Louis, is promotion manager.

Correction

A news item, based on information from a supposedly reliable source, was published on page 78 of the March *Distribution and Warehousing* to the effect that the Lincoln Warehouse Corporation, New York City, was planning to erect a \$500,000 fourteen-story warehouse at 20 East 69th Street, with portion of structure for office service.

On behalf of the Lincoln company, Alexander Gaw, vice-president, states that the firm has no such plan. The address given is in the heart of one of New York's most fashionable residential districts, and Mr. Gaw adds that "any warehouse which this company might erect would not have any portion of it reserved for office service."

BIG BATTLE FOR FOREIGN MARKETS AHEAD

By JOHN H. VAN DEVENTER

If we make products that are superior to those that can be obtained abroad and if we merchandise them properly in foreign countries, we can sell them there even in times of world-wide depression. For according to the Bureau of Foreign and Domestic Commerce, our machinery exports last year were 10 per cent greater than in our last "normal" year of 1928; exports of radio apparatus were 85 per cent more and exports of electric refrigerators doubled.

Yet, at the same time, we must remember that we are not now the only nation that is skilled in making things. Other countries have been steadily buying our production machinery and copying our production methods, with the result that our competition for world markets in manufactured products will steadily increase.

Japan is an example of this. Twenty years ago she was one of our best customers. We supplied Japan with most of her steel. Since that time she has built up a steel making industry of her own that is capable of filling most of her own requirements. And it has been so with a large number of other products.

Russia, in her five year plan, is building up her producing capacity in a big way. Aside from occasional dumping of the cruder products and raw materials she is not likely to be a factor in world trade for some time, since her five year plan, if accomplished, will not even take care of her own consumption requirements.

South America should be one of our best export markets during the next ten years. Aircraft transportation between the two Americas, now being intensively developed, will bring us much closer together, which is a big factor in doing business. The time from New York to Buenos Aires via air has been cut to a third of the number of days required by water route. We will have an advantage over Europe in this, until trans-oceanic flying becomes commercially practical.

Recent political changes in South American republics have strengthened our trade position, the new regimes being in general more kindly disposed toward us than the old ones. But the projected trip of the Prince of Wales to South America shows that we are not going to be without formidable competition.

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Hoeveler Announces Personnel Changes

Changes in the personnel of the officers of the Hoeveler Warehouse Co., Pittsburgh, have been announced by James H. Hoeveler, the president.

James H. Hoeveler remains president, general manager and operating executive. W. A. Hoeveler, Jr., becomes vice-president, succeeding John C. Harmany. C. W. Hoeveler is now secretary and treasurer, succeeding Stewart B. Harmany, which was secretary, and W. L. Harmany, who was treasurer.

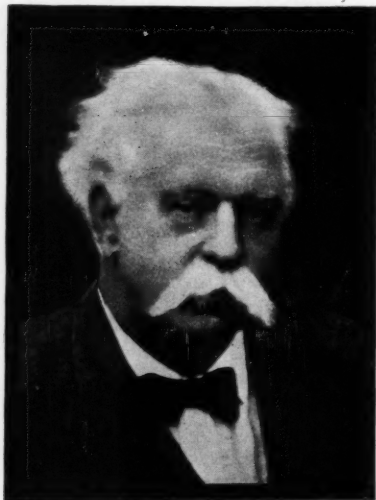
The household goods storage business, established in 1915, will continue as before.

1931
AMERICA
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FORWARD
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And when the railroad network had stretched its spiderweb of steel across the prairies and deserts of our frontier states, a new product of inventive ingenuity appeared which was destined to keep our mills and factories busy. This was the automobile.

It is significant that both of these major developments, which served to stimulate industry so effectively, had to do with transportation. Especially so, when many are predicting a similar era of intensive development of aircraft.

Has the recent depression put a damper on flying? One would not think so from the record of the scheduled air lines. For the 208,357 passengers carried by them during the first six months of 1930 represents a fourfold increase over the number carried in the corresponding period of 1929.

And the airlines are but a part of our total flying activities. According to the aeronautics branch of the Department of Commerce, more than a million persons were carried through the air as passengers during the first six months of last year.

Air mileage, represented by the miles flown by scheduled transport planes, increased nearly 80 per cent. During the first six months of 1930, the total was 16,902,728 miles, as compared with 9,201,338 in 1929.

Intensive developments are now underway which promise to give even more impetus to flight in the immediate future. During the next few years we are likely to see flying put on a par with ground transportation from the standpoint of safety. The term "flyaway Detroit," or "flyaway New York," recently coined, may become as common as its parallel F.O.B. has become as a term in transportation.

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Boston Terminal of the Empire Freight Co., Inc.



These headquarters, recently enlarged, for household goods forwarding, is located on the Boston & Albany railroad

Frozen Meat and Fresh Fruits Are Up in Cold Store

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

ALTHOUGH cold storage holdings of frozen meats increased measurably between March 1, 1930, and the same date this year, frozen poultry holdings took a decided drop in the same time, with little or no change in the holdings of dairy products and with an increase in the holdings of fresh fruits.

According to the Department of Agriculture the holdings of frozen meats increased from 976,540,000 on March 1, 1930, to 1,016,686 pounds on the same date this year, as compared with a five year average of 939,752,000 pounds.

Holdings of frozen poultry dropped from 133,172,000 pounds on March 1, 1930, to 95,196,000 pounds on the same date this year. The five year average was 110,131,000 pounds.

With the exception of barreled apples, holdings of all fresh fruits showed an increase in the same year.

Under the heading of frozen meats, holdings were as follows: frozen pork, 269,212,000 pounds on March 1, as against 217,942,000 pounds on the same date last year; frozen beef, 47,290,000 pounds, as against 69,800,000 pounds last year; frozen lamb and mutton, 3,589,000 pounds, compared with 5,408,000 pounds; cured beef, 10,223,000 pounds in process of cure and 10,047,000 pounds cured, as compared with 11,600,000 and 14,198,000 pounds, respectively; dry salt pork, 134,960 pounds, as against 118,702 pounds; pickled pork, 523,752,000 pounds, compared with 373,971,000 pounds; miscellaneous meats, 92,562,000 pounds, compared with 89,970,000 pounds; and lard, 75,450,000 pounds, as compared with 111,914,000 pounds on March 1, 1930.

Under the classification of frozen poultry there was held in cold storage on March 1: 11,533,000 pounds of broilers, compared with 19,482,000 pounds on the same date in 1930; 8,105,000 pounds of fryers, as against 11,082,000 pounds; 27,909,000 pounds of roasters, as against 37,424,000 pounds; fowls, 19,573,000 pounds, compared with 17,510,000 pounds; turkeys, 8,557,000 pounds, compared with 14,388,000 pounds; and 19,519,000 pounds of miscellaneous poultry this year, compared with 26,348,000 pounds last year.

The holdings of fresh fruits included: 484,000 barrels of apples on March 1, compared with 897,000 barrels on the same date last year (the only class to show a decrease); 11,337,000 boxes of apples, against 7,282,000 boxes; 2,855,000 bushel baskets of apples, compared with 2,805,000 baskets; 816,000 boxes of pears, against 512,000 boxes; and 24,000 bushel baskets of pears, as against 6000 baskets last year.

Holdings of dairy products were as follows: creamery butter, 30,595,000 pounds, as against 46,530,000 pounds; American cheese, 47,884,000 pounds, against 47,818,000 pounds; Swiss cheese,

8,362,000 pounds, compared with 7,417,000 pounds; brick and munster cheese, 654,000 pounds, compared with 1,065,000 pounds; limburger cheese, 473,000 pounds, compared with 810,000 pounds; all other varieties of cheese, 473,000 pounds, compared with 4,781,000 pounds; case eggs, 407,000 cases, compared with 84,000 cases; and frozen eggs, 73,737,000 pounds on March 1, as compared with 35,192,000 pounds on the same date last year.

—Robert C. McClellan.

Position Wanted

MAN, now employed, with ten years' experience in merchandise warehousing—five years as manager—will be available after April 1.

Has specialized in development of new business and desires connection where his experience may be used to advantage. Best of reference.

Address Box E-857, care of **Distribution and Warehousing**, 249 West 39th Street, New York City.

New Warehouse Firm Formed in St. Louis

The Rutger Street Warehouse, Inc., is a new storage and forwarding firm established in St. Louis. Its five-story plant, containing 300,000 square feet of floor space, at Main and Rutgers Streets, was formerly occupied by the Gardner Motor Co., automobile manufacturers. It is on the tracks of the Missouri Pacific and the Railway Terminal Association, and the Rutgers Street docks of the Federal Barge Lines are nearby.

George Ker, formerly with the Gardner interests, is president of the operating company. Charles W. Dodge, for the past thirty years in the warehouse and storage business in St. Louis, is promotion manager.

Correction

A news item, based on information from a supposedly reliable source, was published on page 78 of the March *Distribution and Warehousing* to the effect that the Lincoln Warehouse Corporation, New York City, was planning to erect a \$500,000 fourteen-story warehouse at 20 East 69th Street, with portion of structure for office service.

On behalf of the Lincoln company, Alexander Gaw, vice-president, states that the firm has no such plan. The address given is in the heart of one of New York's most fashionable residential districts, and Mr. Gaw adds that "any warehouse which this company might erect would not have any portion of it reserved for office service."

BIG BATTLE FOR FOREIGN MARKETS AHEAD

By JOHN H. VAN DEVENTER

If we make products that are superior to those that can be obtained abroad and if we merchandise them properly in foreign countries, we can sell them there even in times of world-wide depression. For according to the Bureau of Foreign and Domestic Commerce, our machinery exports last year were 10 per cent greater than in our last "normal" year of 1928; exports of radio apparatus were 85 per cent more and exports of electric refrigerators doubled.

Yet, at the same time, we must remember that we are not now the only nation that is skilled in making things. Other countries have been steadily buying our production machinery and copying our production methods, with the result that our competition for world markets in manufactured products will steadily increase.

Japan is an example of this. Twenty years ago she was one of our best customers. We supplied Japan with most of her steel. Since that time she has built up a steel making industry of her own that is capable of filling most of her own requirements. And it has been so with a large number of other products.

Russia, in her five year plan, is building up her producing capacity in a big way. Aside from occasional dumping of the cruder products and raw materials she is not likely to be a factor in world trade for some time, since her five year plan, if accomplished, will not even take care of her own consumption requirements.

South America should be one of our best export markets during the next ten years. Aircraft transportation between the two Americas, now being intensively developed, will bring us much closer together, which is a big factor in doing business. The time from New York to Buenos Aires via air has been cut to a third of the number of days required by water route. We will have an advantage over Europe in this, until trans-oceanic flying becomes commercially practical.

Recent political changes in South American republics have strengthened our trade position, the new regimes being in general more kindly disposed toward us than the old ones. But the projected trip of the Prince of Wales to South America shows that we are not going to be without formidable competition.

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Hoeveler Announces Personnel Changes

Changes in the personnel of the officers of the Hoeveler Warehouse Co., Pittsburgh, have been announced by James H. Hoeveler, the president.

James H. Hoeveler remains president, general manager and operating executive. W. A. Hoeveler, Jr., becomes vice-president, succeeding John C. Harmany. C. W. Hoeveler is now secretary and treasurer, succeeding Stewart B. Harmany, which was secretary, and W. L. Harmany, who was treasurer.

The household goods storage business, established in 1915, will continue as before.

Congress Makes Federal Warehouse Act Independent of Laws of States

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau
1163 National Press Building

LEGISLATION amending in several important particulars the United States Warehouse Act escaped the usual jam in the closing days of a session and was enacted by Congress. Broadly speaking, these amendments were aimed at facilitating the administration of the Act, relieving the Secretary of Agriculture of details, especially in connection with the approving of bonds; strengthening the bond provisions, and further protecting the integrity of the Federal Warehouse receipt.

The amendatory Act (H.R. 7) passed the House last May but did not get to a hearing before the Senate Committee on Agriculture and Forestry until late February, and it passed the Senate only a few days before adjournment. The changes in the law were urged principally by officials of the Department of Agriculture, and in the hearings before the Senate Committee no one appeared in opposition.

In reporting the bill to the Senate with the recommendation that it be passed, Senator Charles L. McNary, chairman of the Senate Committee on Agriculture and Forestry, submitted a formal report which clearly set out the importance of the bonded warehouse under modern conditions, as well as the increasing use of the warehouse certificate as a loan security. Among other things, in this report, the Senator pointed out the growth, numerically, of bonded warehouses and the increased patronage.

The Warehouse Act was enacted in August, 1916. For five years indifferent progress was made. During the past ten years, however, there has been rapid expansion of the bonded warehouse system. The commodities illustrate this expansion. By April 1, 1920, only 23 cotton warehouses with 43,250 bales combined storage capacity, had been licensed. On Feb. 24, 1931, there were 362 cotton warehouses with a total capacity of 4,881,459 bales. On April 1, 1920, five grain warehouses with a total of 146,000 bushels storage were licensed, while on Feb. 24, 1931, 335 grain warehouses were licensed with an aggregate storage capacity of 76,519,792 bushels.

Since the passage of the Act it has been used by all kinds of growers, organizations and hundreds of thousands of farmers. Their warehouse receipts have found acceptable outlets among the intermediate credit banks, with the Federal Farm Board and with leading bankers of the country. Billions of dollars have been loaned on these receipts.

Explaining the effects of the several amendments, the McNary report contained the following:

"The first group includes the amendments to section 4, 6, 8, 9, 11, 12 and 25. The substance of these amendments is

merely to authorize the Secretary of Agriculture to designate an official of the department to act for the Secretary in performing certain ministerial duties, such as the accepting or denying of applications, approving of bonds filed by warehousemen, issuing, suspending, reinstating, and canceling of licenses, and charging and assessing fees.

"The next amendment eliminates from section 6 of the present Act the clause which provides that the bond shall secure the faithful performance of the warehouseman's obligations as defined by State laws. Since the Act does not give the department jurisdiction to enforce State laws, it is obviously unfair that a bond should be exacted of a warehouseman to satisfy State laws. Such a requirement subjects the bond to greater exposure of liability and naturally such increased exposure is reflected in the rates charged for bond premiums. Moreover, if the bond is available under State Acts, this may result in taking away from federal receipts some of the very best security that the Federal Act contemplates shall be available for their protection. Again this amendment to section 6 naturally follows the amendment suggested to section 29.

"Section 10 of the present Act permits the charging of warehouse inspection and license fee, but does not authorize charging a fee for license to sample, inspect, classify, grade, or weigh agricultural products stored in licensed warehouses. The amendment would authorize the charging of fees for such license.

"Section 29 now provides 'That nothing in this Act shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operations of the laws of any State relating to warehouses, warehousemen,' etc. The effect of this wording is to make the Federal Act subservient to State Acts wherever there is a conflict. As might be expected, there are conflicts between State laws and the Federal Act. Since the law specifically makes the Federal Act subservient to State laws in case of conflict, this feature militates against the full value of Federal warehouse receipts for collateral purposes. The amendment proposed to this section would make the Federal Act independent of State laws. In other words, it would place the Federal Act on its own bottom. It does not change the permissive feature of the Federal Act. No warehouseman is obligated to operate under the Federal Act. The amendment merely leaves the choice to warehousemen and their patrons as to whether or not a warehouse shall be operated under the Federal Act, and if it is decided to secure a license under the Federal Act then the warehouseman would be authorized to operate without regard to State Acts and be solely responsible to the Federal Act.

"Bankers have repeatedly pointed out that this section of the Warehouse Act is its weakest feature. This amendment will clarify and remove many uncertainties from the credit man's viewpoint. As the law now reads, for fear

(Concluded on page 66)

CONFLICTING KINGDOMS

By JOHN H. VAN DEVENTER

Have you ever considered the constant business conflict between the animal, mineral and vegetable kingdoms? It is going on all the time under the stimulus of human ideas.

Half a century ago the animal kingdom had control of the lighting monopoly. Whale oil for lamps and animal-tallow candles kept the home lights burning. Then came the idea of tapping the stored sunlight of petroleum, a mineral product, and its associates of paraffine and natural gas. The monopoly went to the mineral kingdom, for a while. Now it belongs to electricity, which is neither one or the other.

Wool used to be the premier building material, a vegetable product. Now the mineral kingdom has the edge with steel, concrete and other familiar products.

In the battle between the three big kingdoms, fortunes rise and fall. Somebody comes along with a bright idea which upsets the balance of power and part of a kingdom takes the count.

Here is an illustration of what is continually going on, as ideas and inventions come and go. All of you have probably noticed that cigars, today, are almost universally wrapped in transparent paper. Do you recollect that less than two years ago the equally universal practice was to wrap them in metal foil?

Here is a case where the vegetable kingdom has scored a victory over the metal kingdom. For the glass-like wrappers used on cigars are a cellulose or vegetable product.

Scientists tell us that there will be more victories of this sort for the vegetable kingdom in the future, and that this will be hastened by the exhaustion of our mineral resources in the distant days to come. Vegetable products, being annually replaceable, in the form of crops, are inexhaustible.

Better days are coming for the man who "knows his vegetables."

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Winslow Again Heads Lynn Co.

At the recent annual meeting of the stockholders of the Lynn Storage Warehouse Co., Lynn, Mass., Edward M. Winslow was reelected president and William T. Murphy, treasurer. Robert T. Sisson was chosen clerk. The directors are these three and Charles H. Hastings, Samuel C. Hutchinson, Harry D. Linscott and Arthur E. Lord.

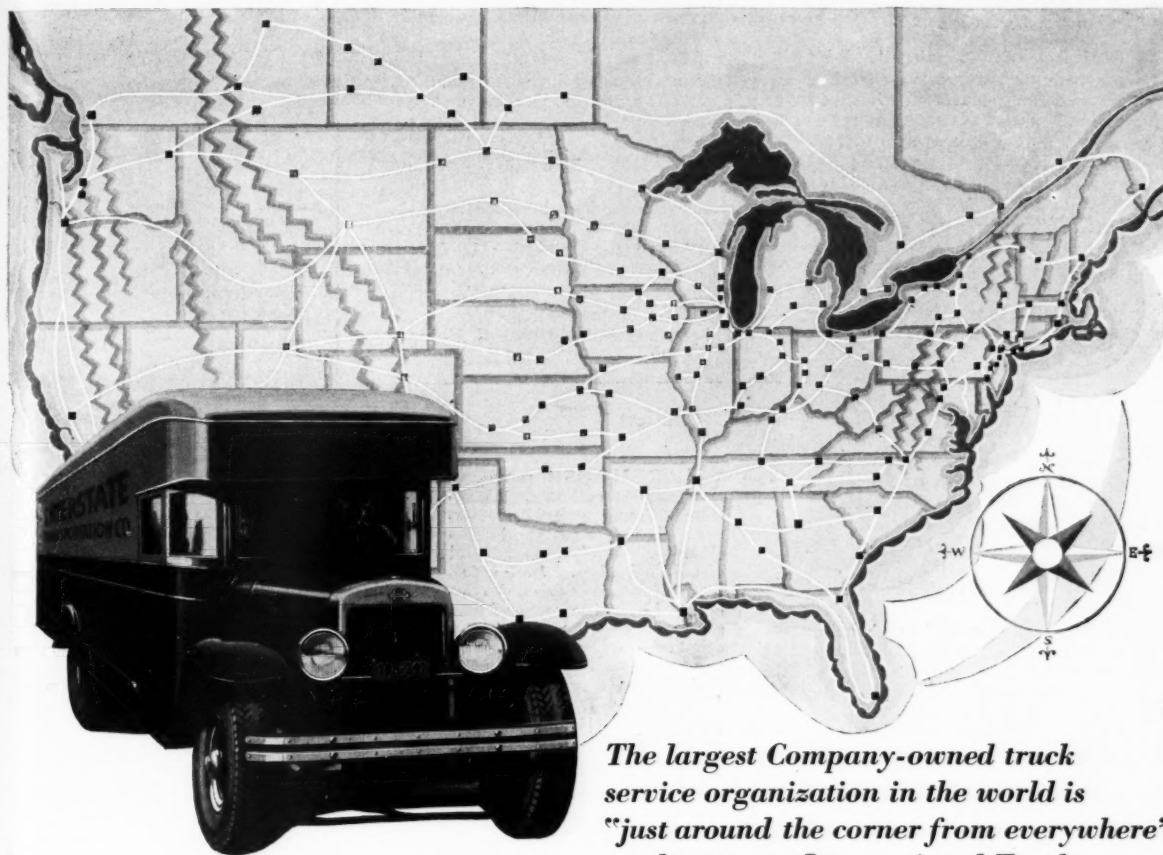
This is the Lynn company's twenty-fifth anniversary year.

Los Angeles Men May Have Auction House

Furniture warehousemen of Los Angeles County are considering establishing a centralized auction warehouse which would give them a place for disposing of unclaimed or unpaid-for goods at more frequent intervals.

Henry M. Burgeson, president of the Wilshire Fireproof Storage Co., Los Angeles, is chairman of a committee working on the plan.

You can't get away from Service like this



The largest Company-owned truck service organization in the world is "just around the corner from everywhere" ready to serve International Trucks.

All over the United States and Canada there are Company-owned branches waiting to wait upon International Trucks. There are 161 of these branches in the United States alone, and 19 in Canada.

No matter whether you operate your Internationals in Connecticut or California, in Saskatoon or San Antonio, you will always find an International Branch not far away. The farther you go from one, the nearer you get to another.

And every International owner can get from any one of these branches just the kind of service

the factory itself would give him. Each branch has an extensive stock of factory-standard parts on hand for all emergencies, and every trained mechanic works on factory-standard methods with all the modern equipment good service demands.

There's never any guess-work and never any tinkering—and that means economy in every operation.

When you buy an International you buy a truck that the Harvester Company is proud to have carry its name and you can rest assured that the Harvester Company will always do everything in its power to keep the truck that way.

The International Line includes the ¾-ton Special Delivery; the 1-ton Six-Speed Special; Speed Trucks, 1¼, 1½, 2 and 3-ton; Heavy-Duty Trucks to 5-ton; and McCormick-Deering Industrial Tractors. Catalogs on request.

INTERNATIONAL HARVESTER COMPANY

606 So. Michigan Ave.

OF AMERICA
(INCORPORATED)

Chicago, Illinois

INTERNATIONAL

INTERNATIONAL TRUCKS

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Congress Makes Federal Warehouse Act Independent of Laws of States

(Concluded from page 64)

the Federal Act may be negated by State legislation or regulation, a banker is obliged to follow closely the laws of the forty-eight different States, the regulations thereunder, and the administrative rulings thereunder. This is an impossible task. The amendment will place the Federal Act independent of State Acts and should enhance the value of receipts for collateral purposes.

"The amendment to section 30 provides for punishing anyone who may alter a warehouse receipt or certificate with intent to negotiate the same, but who may be defeated in its negotiation. It also increases the severity of the penalty section by leaving it discretionary with the Court to impose jail sentence not in excess of ten years, as compared to the maximum now of one year. In the light of some frauds which might be perpetrated a one-year jail sentence does not appear proportionate to the offense. Bankers have repeatedly expressed the view that the penalties which might be imposed for wrong doing should be more severe."

During the Senate committee hearing on the measure, Dr. Nils A. Olsen, chief of the Bureau of Agricultural Economics, and H. S. Yohe, director of the warehousing administration, urged favorable action.

Pointing out that there was a history behind warehousing just as there was behind banking, Mr. Yohe related to the committee some phases of the evolution of the warehouse receipt from the days when it meant practically nothing until today, when the receipt on a Federal bonded warehouse approximates a standard negotiable security.

Dr. Olsen told the committee that the bankers were much interested in seeing the Federal law's integrity maintained as against State laws. He pointed out the desirability of keeping the bonding company's fee as low as possible, and submitted that in order to do this it was necessary to have definite assurances that the provisions of the Federal law will not be violated by State laws or practices.

—Horace H. Herr.

Other Measures

The bill amending the warehouse Act was the only one passed by the last session of Congress directly or indirectly affecting the storage industry.

No action was taken on the Parker bill to regulate interstate motor bus operation, though Senator Couzens, of Michigan, chairman of the Senate Interstate Commerce Committee, tried for a time to have the Senate pass the measure, which already had passed the House.

It is likely that the Interstate Commerce Commission's report, or at least a tentative report on the bus and truck

situation, will be available by next December, so that Congress will have some facts with which to fortify itself for the battle to pass the bill.

As all measures are killed automatically at the close of a Congress, the Parker bill and others affecting the warehousing industry have no standing at present. It will be necessary for them to be reintroduced at the next session and to be sent through the committees as they were before. A brief résumé of some of the other measures which failed of passage during the last session follows:

The bill of Senator Wesley L. Jones, Washington, providing for the establishment of foreign trade zones in the ports of entry of the United States.

Bills by Senators Lawrence C. Phipps,

Male Situation Wanted

WAREHOUSE manager. Expert solicitor. Counsellor. Twenty years' experience all phases general merchandise warehousing, pool car distribution. Large following among national stores. Thirty-nine years of age, single. Highest reference, good character, reliable and trustworthy. Now employed. Address Box F-958, care of **Distribution and Warehousing**, 249 West 39th Street, New York City.

Colorado, and Smith W. Brookhart, Iowa, authorizing express highway construction.

Representative John McDuffie's bill amending the Interstate Commerce Act to require separate valuation of terminal facilities by the railroads, and to provide the carriers with a reasonable return on those facilities. This measure would cover wharves, docks, warehouses and other similar terminal facilities, and would require the publication of separate charges for their use.

The two resolutions of Representative Fred Britten, Illinois, proposing to establish the metric system in this country. One of these would direct the Secretary of Commerce to conduct a study to determine the advantages and possible disadvantages of the use of the metric system in this country. The other would authorize the establishment of the metric system in the United States. Neither bill has received any action of any sort. No hearings ever have been held on them, though Mr. Britten said at the beginning of the last session of Congress that he expected to try to get action on them at some future session of Congress.

—Stephens Rippey.

When you ship goods to a fellow warehouseman—use the annual Warehouse Directory.

COMMON LABOR BECOMING UNCOMMON

By JOHN H. VAN DEVENTER

Unskilled, or "common" labor is gradually making its exit from the U.S.A. It is really becoming uncommon. Both legislative action and machinery are helping to bring this about.

The government, realizing at last that cheap labor is very dear, has done its part through immigration restriction to prevent our being flooded with it. We do not need cheap workers; to put it baldly they have not enough buying power to make it profitable to have them around.

While legislation is keeping them out, machinery is at work promoting them to better jobs. Through motors and machinery we can put a whole horsepower to work for a day for a few cents, and it will exert as much energy as would ten men. Muscles cannot compete with this idea successfully.

How many laborers would it take to lift and carry a 75-ton locomotive? Two thousand husky fellows might do it if you could get such a regiment of men near enough to the locomotive to do any effective lifting. At that, each one would have to lift and carry 75 pounds as his share of the load.

In any modern locomotive shop, three men, working with the help of an overhead electric traveling crane, can do this job without getting out of breath.

Digging, lifting, carrying, pulling and hauling are jobs for machinery and power. Men, unaided by these cannot produce enough "effort value" to justify real wages. And we need real wages to build consuming power.

Our job in America is to help all labor earn real wages through the use of brain power exerted in directing machinery, not to encourage man's muscles to compete with it.

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Groves Locates Anew

The Groves Storage Warehouse Co., Inc., has removed to a new warehouse at 4724 Troost Street, Kansas City, Mo. The firm was formerly located at Linwood Boulevard and Holmes Street.

Mead Succeeds Morton at the B. & O. Stores

IRVIN W. MEAD has succeeded Edwin Morton as treasurer and manager of the Baltimore & Ohio Stores, Inc., New York City, following Mr. Morton's retirement due to failing health. Mr. Mead has been with the organization for fifteen years and was Mr. Morton's assistant for five years.

Mr. Morton, who was 70 years old last Dec. 18, suffered a paralytic stroke about two months before his birthday, while in his office. Against his doctor's orders he returned to his desk the following day. On Jan. 20 he went to a hospital in Baltimore and after three weeks of treatment there he was removed to a sanitarium in Laurel, Md., where he has since been. His recovery is doubtful, according to his close friends in New York.

11,835,012 Advertising Messages

Will tell the service story of A. W. A. Merchandise Warehouses

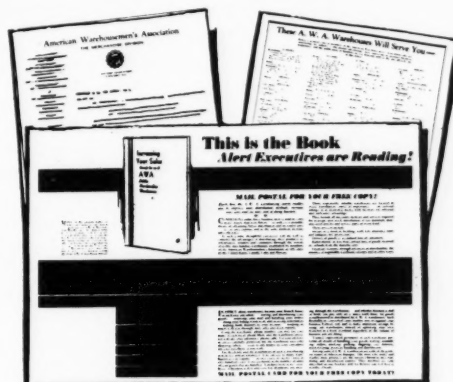
Shown here are the business and general magazines to be used in 1931 by the Merchandise Division of the American Warehousemen's Association in its campaign to sell the public warehousing industry to American business men.

These publications have a combined circulation of 986,251; and during the year 1931 a total of more than 11,835,012 individual advertisements will be circulated through them. The tremendous force of this great campaign will build new business for every A. W. A. warehouse participating.

in 1931

If yours is an A. W. A. merchandise warehouse, prompt action on your part will enable you to participate in this campaign and get the sales leads developed for your territory. Otherwise, your competitors in your city now active in the campaign will get the benefit of all the prospective business which the campaign is creating.

If you are not an A. W. A. member, and would like to join the Association in order to participate in the campaign, full details as to membership requirements, dues, etc., may be had from the Secretary.



Broadsides like these, mailed periodically to a selected list of 25,000 storers and marketing executives, are developing sales leads for A. W. A. warehouses to follow-up in the creation of new accounts.

This booklet, issued by the A. W. A. has been termed: "The most complete and yet the most concise statement that has yet appeared in print regarding the place of Public Merchandise Warehouses in distribution."

Plans for 1931 call for the publication of special bulletins on warehousing methods, warehousing services, etc. . . . material which will be of interest and value to all manufacturers and distributors.

Merchandise Warehouse Division
American Warehousemen's Association
1850 Adams-Franklin Building
Chicago, Illinois

Johnson River-Rail Terminal Dedicated in Evansville, Ind.

THE Mead Johnson Terminal Corporation's \$500,000 river-rail warehouse and terminal in Evansville, Ind., was officially dedicated on Feb. 27 when State and municipal officials, men prominent in the field of water and rail transportation and about 8000 other persons assembled at this new Ohio River plant to take part in an "open house" celebration.

Former Lieutenant-Governor Van Orman of Indiana was master of ceremonies, and speakers included Carl J. Baer, St. Louis, vice-president of the Mississippi Valley Barge Co.; Patrick J. Calhoun, Louisville, president of the American Barge Line Co.; Captain Donald T. Wright, St. Louis, editor of *Waterways Journal*; Mayor Frank W. Griesse of Evansville, and B. F. Von Behran, president of the Evansville Chamber of Commerce.

As a symbol of trade relationship opened up by the new terminals with cities along the Ohio and the Mississippi, Mayor Griesse placed an Evansville-made table in the hands of a towboat captain for delivery to Mayor Walmsley of New Orleans.

Telegrams of congratulation were received from Secretary of War Hurley and United States Senator Watson of Indiana.

Lambert D. Johnson, secretary of the corporation said:

"While during the past seventy years inventive minds have occupied themselves with improving railway equipment and increasing the efficiency of railway systems, waterway transportation in a like period has received very little attention. In the past few years wide awake men have taken to studying the problems of river transportation, with the consequent result of new and efficient equipment—barges and towboats, canalized streams with a minimum low-water stage, transfer terminals speeding up and lowering the cost of handling freight from barge to car to truck or *vice versa*.

"Many who have made a study of river conditions have agreed that river transportation would develop only as fast as terminal facilities were provided. My father reasoned that which ever river towns were first provided with such terminals would be gaining a start on other towns by way of transportation advantages, becoming the leading cities of the Middle West."

Mr. Baer in his talk scoffed the idea that barge lines had entered the field of transportation as competitors of railroads and motor truck lines. "The three must cooperate and coordinate themselves in a joint service," he declared. "We have in America today a tripod of transportation—river, rail and truck—which must stand on its three legs. It cannot stand on any two of them."

William Culkins, Cincinnati, vice-president of the Ohio Valley Improvement Association, said that a new era in

water transportation had come in the past ten years and that "shippers throughout the Mississippi Valley now have their eyes on Evansville and the new terminal."

The project was constructed by E. Mead Johnson, the corporation's president, after engineers had been sent throughout the Ohio and Mississippi valley regions for ideas to incorporate into it.

J. L. Wilkinson Now Heads Carolina Firm

Announcement was made by the Carolina Transfer & Storage Co., Charlotte, N. C., on March 9 that John L. Wilkinson, the firm's treasurer and general manager, had become president. Mr. Wilkinson is a past president of the Southern Warehousemen's Association and has been active in the affairs of the National Furniture Warehousemen's Association.

W. D. Wilkinson, who was the company's president, is now vice-president. F. A. Wilkinson, who was vice-president, is now secretary-treasurer.

Charlotte, having renumbered its street, the firm's address is now 1230, instead of 1130, North Morehead Street.

Charles R. Smith

Charles R. Smith, supervising engineer of the Terminal Refrigerating & Warehousing Corporation, Washington, D. C., was found dead sitting upright in his automobile parked near the warehouse on March 23. His passing was attributed to a heart attack. Fifty-two years old, he had been connected with the storage business for many years.

GOOD BUSINESS FOR SOMEBODY

By JOHN H. VAN DEVENTER

It is interesting to note that in any line of industry or business, there is always good business for somebody, even during the worst of dull times.

Ethelbert Stewart, United States Commissioner of Labor Statistics, in a recent address before College of the City of New York, quoted some statistics which prove this point.

For example, comparing employment in October, 1930, with October, 1929, 16 firms in the iron and steel industry increased their number of men employed, in spite of a 16.6 per cent drop for employment in that industry as a whole.

The cotton goods industry was hit for an average employment loss of 21.4 per cent in 1930, but 54 firms increased their number of employees all the way from 1 per cent to 154 per cent.

The automobile industry has been as hard hit as any, having an average employment shrinkage of 31.3 per cent. Even here, however, 15 firms increased their employment from 3 to 172 per cent.

This list could be extended to cover nearly every industry, and we would find similar cases in every one of them.

What was the magical inoculation which rendered certain concerns immune from depression effects even in industries where the employment mortality was greatest?

It was not luck. The fellows who trusted to that lost their shirts in the stock market. It was a combination of improved product, outstanding dollar value, effective advertising and salesmanship and high grade general management.

All of this is water now over the dam since we are now saying goodbye to the depression of 1930. But a little injection of the same combination will pep up any concern for its climb back to normal.

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Association Seals Publicized by Lee Corporation

At left, that of A. W. A., and at right, that of N. F. W. A.—Lee Terminal & Warehouse Corporation, Tampa, staged this booth at the recent South Florida Fair, attended by half a million persons



HUNDREDS IN YOUR INDUSTRY HAVE PROVED THE VALUE OF THESE HEAVY-DUTY TRUCKS



There is no guess, no experiment on the part of those who select Dodge Heavy-Duty Trucks. Business men in your industry and many others have proved the sound value of these sturdy, modern workers. » » Dodge Heavy-Duty Trucks are available in an unusually wide variety—with payload capacities as great as 11,175 pounds. Inspection—part by part—proves that they are all truck—that they are ruggedly built of precision parts. And that all parts are correctly

proportioned, one to the other, to insure long, dependable service at low cost. » » No matter how heavy your loads may be, there is a Dodge Heavy-Duty Truck that will fit your needs. So see your Dodge Brothers dealer. See, inspect and test these exceptional trucks. You can buy one complete with standard or special body—at a price you will say is low.

THE COMPLETE LINE OF DODGE TRUCKS RANGES IN PAYLOAD CAPACITIES FROM 1,200 TO 11,175 POUNDS—PRICED, CHASSIS F. O. B. DETROIT, FROM \$435 TO \$2695, INCLUDING THE 1½-TON CHASSIS AT **\$595**

DEPENDABLE DODGE HEAVY DUTY TRUCKS

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Construction, Developments, Purchases, Etc.

Alabama

BIRMINGHAM—United Freight Lines, Inc., has leased, and will occupy as a freight terminal, a warehouse being erected on Third Street North near Eighth Street.

Arkansas

Bentonville—Ward Ice Industry, of Fort Smith, has concluded arrangements for purchase of the plant and business of the Bentonville Ice & Cold Storage Co. and plans extensions and improvements.

Fort Smith—O. K. Transfer & Storage Co. is considering rebuilding that portion of its warehouse and garage building recently wrecked by fire with an estimated loss of \$60,000.

California

Los Angeles—Bekins Van & Storage Co. is completing plans for a \$100,000 5-story and basement warehouse at Fourth and Alameda Streets.

Ontario—Hickey Warehouse Co. and Ontario City Transfer Co. have removed to 315 No. Euclid Avenue from 541 E. Main St.

Sacramento—Consumers' Ice & Cold Storage Co. has filed plans for a \$150,000 cold storage warehouse and icing plant.

San Jose—Security Warehouse & Cold Storage Co. is making extensive alterations and additions to its plant.

Canada

Regina, Sask.—National Cartage & Storage Co. is planning rebuilding its warehouse recently wrecked by fire with an estimated loss of \$30,000.

Connecticut

Greenwich—Doran Brothers have completed plans for a \$60,000 2-story addition, 52 by 154 feet, to their warehouse.

Greenwich—Henry G. Drinkwater's Sons, Inc., has plans for a \$125,000 6-story and basement warehouse addition, 50 by 90 feet.

Hartford—Christie's Transfer & Warehouse Co. has joined the Connecticut Warehousemen's Association.

Idaho

Pocatello—Jennings-Cornwall Warehouse Co. has taken over a motor bus terminal and will convert it into a warehouse, the estimated cost being \$45,000.

Indiana

Indianapolis—Underwood Transfer Co. has purchased the W. S. Frye Transfer Co.

Iowa

Davenport—Merchants Transfer & Storage Co. has joined the American Chain of Warehouses.

Kentucky

Louisville—J. C. Fisel Transfer Co., 115 South Hancock Street, is planning to rebuild its warehouse recently wrecked by fire with an estimated loss of \$75,000.

Louisville—Merchants Ice & Cold Storage Co. has filed plans for a \$45,000

1-story addition, 50 by 119 feet, to its cold storage warehouse.

Louisiana

New Orleans—B & Z Warehousing & Forwarding Co. has voted to dissolve.

Massachusetts

Boston—Bay State Shipping Co. has relinquished its lease of the Army Base property at South Boston. The United States Shipping Board plans to lease the property to private interests for storage and shipping service.

Michigan

Detroit—Michigan Terminal Warehouse Corp. has announced a new service—storage and maintenance of files and valuable office equipment.

New Jersey

East Orange—Lincoln Storage Warehouses, Inc., has resigned from the New Jersey Furniture Warehousemen's Association.

New York

Binghamton—E. W. Conklin & Son Co. has joined the merchandise division of the American Warehousemen's Association.

Brooklyn—Coney Island & Brooklyn Terminal Co. has arranged for increase in capital stock to \$1,005,000, from \$5,000, for expansion in facilities and operations.

Capron—Capron Warehouse Co. has filed notice of company dissolution under State laws.

New York City—Davies Terminal Corporation, 601 Washington Street, has leased the building at 887-889 Second Avenue and will remodel and improve as a storage and distributing warehouse.

Oklahoma

Oklahoma City—Atchison, Topeka and Santa Fe Railway Co. has plans for a \$1,000,000 warehouse and freight terminal, with passenger facilities.

Oklahoma City—Santa Fe Land Improvement Co. is planning a \$60,000 2-story and basement bonded storage warehouse, 75 by 180 feet, at 14th and Santa Fe Streets.

Oregon

Hillsboro—Terminal Ice & Cold Storage Corporation has approved plans for a \$45,000 1-story cold storage warehouse, 100 by 100 feet, on Washington Street.

Pennsylvania

Philadelphia—Reading Co. has completed plans for a \$50,000 1-story warehouse and freight station at North Glenside.

South Dakota

Mitchell—Wilson Transfer Co. has preliminary plans for a \$30,000 1-story warehouse and distributing building.

Texas

Amarillo—Espey Transportation Co. has joined the Texas Warehouse & Transfermen's Association.

Dallas—American Transfer & Storage Co. has located its offices at 2312-2320

(Concluded on page 72)

New Incorporations as Announced Within the Storage Industry

Arkansas

FORT SMITH—Fort Smith-Little Rock Motor Express Co., 216 South Sixth Street. To operate motor freight line between Fort Smith and Little Rock. Capital not stated. Incorporators, J. L. McBrayer and C. W. Knitt.

California

Glendale—Glendale House Moving Co. Warehouse and van service. Harold W. Squier, 506 Hazel Street, heads the company.

Los Angeles—Automotive Warehouse Co., 224 West 15th Street. Warehouse for automobile storage and other service. George H. Morrison, 2055 West 58th Street, heads the company.

Los Angeles—Hollywood Quick Service & Storage Co., 6357 Sunset Boulevard. Storage warehouse and express service.

Los Angeles—Overland Terminal Warehouse Co. Storage warehouse terminal. To operate as a subsidiary of the Union Pacific Railroad. Capital, 15,000 shares of no par value stock. F. H. Knickerbocker and R. B. Robertson head the organization.

Los Angeles—United Motor Transport, 1730 Industrial Street. Motor truck service. Heads of company include Herman Bahls, 279 North Euclid Avenue, Pasadena.

Connecticut

Hartford—Connecticut River Terminal Corporation. Storage warehouse and oil terminals. Capital, \$50,000. Incorporators, Harry Levitt, 94 Magnolia Street, Hartford, and Edwin Nielson, 205 East 52nd Street, New York City.

Illinois

Chicago—Sibley Warehouse & Storage Co., 1525 Broadway. Capital, \$1,000. Incorporators, Sackett H. Verrall, Herbert W. Verrall and James G. Wallace.

Mount Sterling—McCoy Transfer Lines. Storage and transfer business. Capital, \$10,000 preferred and 200 shares of no par value common stock. Incorporators, George O. McCoy, Doris M. McCoy and William J. Long.

Kentucky

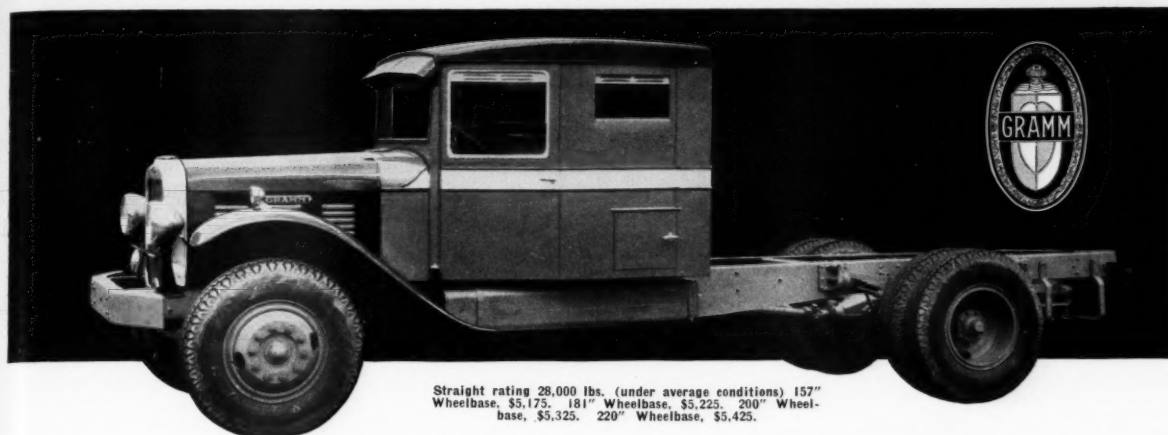
Louisville—General Storage Warehouse Co. Capital, \$10,000. Incorporators, John Ross, C. D. Brown, C. L. Bishop, M. J. Phillipse and C. T. Vinson.

Massachusetts

Boston—Boston & Bangor Motor Transportation, 376 North Street. Motor express line between Boston and Bangor. Me. Albert J. Brassard heads the company.

Malden—Kelly & West, Inc. Cold storage warehouse and ice. Capital, \$50,000. Lawrence M. Kelly is president, and Lorimer T. West of 61 Webster Street is treasurer.

(Concluded on page 72)



Straight rating 26,000 lbs. (under average conditions) 157" Wheelbase, \$5,175. 181" Wheelbase, \$5,225. 200" Wheelbase, \$5,325. 220" Wheelbase, \$5,425.

A HIGHWAY FREIGHTER OF MERIT

Present day competition is so keen that a truck manufacturer cannot rely on his past reputation alone—so again Grammm forges ahead with a New Series "GW" chassis. The unusual standard equipment includes double side mounted gasoline tanks with total capacity of 66 gallons—complete cowl and instruments—Westinghouse Air Brakes—Tru-stop ventilated disc emergency brake—fish plated 12" rugged frame—and Grammm System of Front Spring Shackling.

Grammm Motors, Inc.
DELPHOS, OHIO
U. S. A.

This outstanding chassis was designed especially for the transportation of heavy loads by highway, either furnished in short wheelbases for semi-trailer use or in longer wheelbases to suit van work. Everything possible has been provided to make this the outstanding truck of exceptional merit for heavy loads at high speeds.

The DeLuxe sleeper cab shown above was designed and is built by Grammm. The bunk is large enough for occupant to stretch out full length, and a soft mattress is provided.

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Toledo, Ohio
Willys Overland Crossley, Ltd.
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Trucks, Vans, Buses, and
Specialized Chassis for
Fire Apparatus.

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ENGINEERS • ARCHITECTS

New Incorporations as Announced Within the Storage Industry

(Concluded from page 70)

Michigan

Lansing—D. & C. Storage Co., Inc., 528 East Michigan Avenue. To operate a cold and dry storage warehouse. Nominal capital, \$2,000.

Mississippi

Amory—Mississippi-Alabama Utilities Inc. To operate cold storage warehouses and ice plants. Capital, \$100,000. Incorporators, J. O. Prude and G. W. McCullen.

Missouri

Kansas City—Western Ice Service Co. Cold storage warehouse and ice plant. Capital, \$200,000. Principal incorporator, Cornelius Roach, Jr., Commerce Building.

New York

New York City—Argonne Storage Co. Storage warehouse and trucking. Capital, \$10,000. Incorporators include Robert Lande, 1133 Broadway.

New York City—General Storage & Moving Co. Storage warehouse and trucking. Capital, 100 shares of no par value stock. Representatives, Cadwalader, Wickersham & Taft, 40 Wall Street.

New York City—Lincoln Square Furniture Warehouse, Inc. Storage warehouse and van service. Capital, \$10,000. Principal incorporator, A. K. Leef, 305 Broadway.

North Hempstead—Roslyn Dock Co. Terminal warehouse and carting service. Capital, \$25,000 and 500 shares of no par value stock. Principal incorporator, J. L. Dowsey, Mineola.

North Carolina

High Point—City Transfer & Storage Company of High Point. General storage and transfer business. Authorized capital stock, \$25,000; subscribed stock, \$15,000. Incorporators, T. D. Cox, Myatt H. Cox and C. H. Cox.

Kings Mountain—Cleveland Bonded Warehouse Co. Public warehousing. Authorized capital stock, \$15,000; subscribed stock, \$15,000. Incorporators, D. T. Manget, of Newman, Ga., and P. G. Manget and H. S. Blackmer of Kings Mountain.

Ohio

Cleveland—Pyramid Moving & Storage Co. Storage warehouse and van service. Nominal capital, \$5,000. Incorporators, Charles A. Hyde, H. V. Prucha and George A. Phillips.

Dayton—Ohio Interstate Trucking Co. Capital, 250 shares of no par value stock. Incorporators, Daniel C. Larkin, Eugene Schaefer and H. H. Hiland.

Dayton—Rinehart Transport Co. Capital, 250 shares of no par value stock. Incorporators, E. B. Harrison, Murray Smith and Frank W. Nichols.

Tennessee

Nashville—Tennessee Warehouse Association, Inc. Capital, 40 shares of no

par value stock. Incorporators, H. L. Hanes, H. T. Cotten and H. H. Phelps.

Texas

Austin—National Freight Co. of Texas, Inc. Capital, \$15,000. Incorporators, A. D. Davis, E. C. Strohm and R. T. Miller.

Beaumont—Beaumont Transfer Co. Nominal capital, \$2,000. Incorporators, G. Gardner, Sr. and Jr., and B. S. Gardner.

Beaumont—T. S. C. Motor Freight Lines, Inc. Capital, \$6,000. Incorporators, M. L. Martin and W. M. Fulbright.

Virginia

Danville—Harry Davis Warehouse Co., Inc. Storage warehousing and trucking. Capital, \$5,000. Principal incorporator, Harry H. Davis.

Fredericksburg—Interstate Ice Corporation. Cold storage warehouse and ice plant. Capital, \$5,000. Principal incorporator, Amos V. Pankey of Harrisonburg.

Washington

Wenatchee—Terminal Warehouse Co. Capital, \$25,000. Incorporators, F. W. Wonn and P. G. Skaggs.

Wisconsin

Milwaukee—Central Transfer & Storage Co. General storage and transfer business. Authorized stock, 100 shares of no par value common. Incorporators, Robert Wilson, Thomas P. Wilson and John Bower.

Milwaukee—Young's Container Service, Inc. Shipping and forwarding of merchandise. Capital, 50 shares at \$100 each. Incorporators, G. H. Katz, I. Graves and D. Young.

Southwestern Railroads Plan to Recover Freight Lost to Motor Trucking

IN an effort to recover short haul package freight business lost to motor truck lines, eleven southwestern railroads will start a door-to-door service on their own bills of lading, it was announced in St. Louis on March 21. The carriers are the Atchison, Topeka & Santa Fe, Kansas City Southern, Louisiana & Arkansas, Missouri Pacific, St. Louis Southwestern, St. Louis-San Francisco, Missouri-Kansas-Texas, Rock Island, Southern Pacific, Texas & Pacific, and Burlington-Rock Island.

The plan provides for pick-up and delivery service at points of origin and destination, with no additional cost over present less-than-carloads rates within a radius of about 300 miles. Beyond this distance a small fee will be charged. The service will be through contracts with local trucking companies.

It was planned to start the service within sixty days, subject to approval by the Interstate Commerce Commission. Under rates being proposed, shippers would be able to use the pick-up and delivery service at both ends of the haul, or at either end, or not at all.

Construction, Developments, Purchases, Etc.

(Concluded from page 70)

Griffin Street, having removed from 2615-2617 Elm Street.

Fort Worth—Texas & Pacific Railway Co. is planning a \$350,000 out-bound storage warehouse and freight station, 80 by 600 feet.

Hamilton—Bernett Brothers has secured permission to operate a motor freight line from Hamilton to Gatesville by way of Evant.

Houston—Kent Easter Transfer & Storage Co. has arranged for change of company name to the E. A. Hudson Transfer & Warehouse Co., at the same time increasing its capital.

San Antonio—Scobey Fireproof Storage Co. has arranged for an increase in capital stock to \$700,000, from \$250,000, for general expansion.

San Benito—Steck Transfer Co. has awarded a contract for a \$5,000 brick and tile warehouse and garage.

Virginia

Portsmouth—Southeastern Ice Utilities Corporation, operating cold storage warehouses and ice plants, has arranged for an increase in capital to \$6,000,000, from \$4,000,000, for expansion.

Washington

Yakima—Consolidated Freight Lines are considering construction of a \$35,000 1-story warehouse and freight terminal.

Wisconsin

Green Bay—Atlas Warehouse & Cold Storage Co. is completing an \$80,000 4-story and basement dry and cold storage warehouse, 50 by 128 feet.

Federal Bulletin on Moth Control

The United States Department of Agriculture has issued a 32-page booklet on "The Control of Moths in Upholstered Furniture," based in part on researches made by Government entomologists in cooperation with members of the National Furniture Warehousemen's Association.

"The laboratory experiments of the Department of Agriculture have indicated," the text reads at one point, "that no solution now available will render fabrics absolutely and permanently immune to the feeding of moths. Yet, when the better solutions are properly applied, under pressure, by spraying machines, they impart a resistance of practical value in this respect."

"So effective are they that mothproofing services are now available in all large cities through storage warehouses for household goods, dry-cleaning establishments and through special agencies. In some instances a guarantee against damage by moths for a term of three to five years is given at the time of treatment."